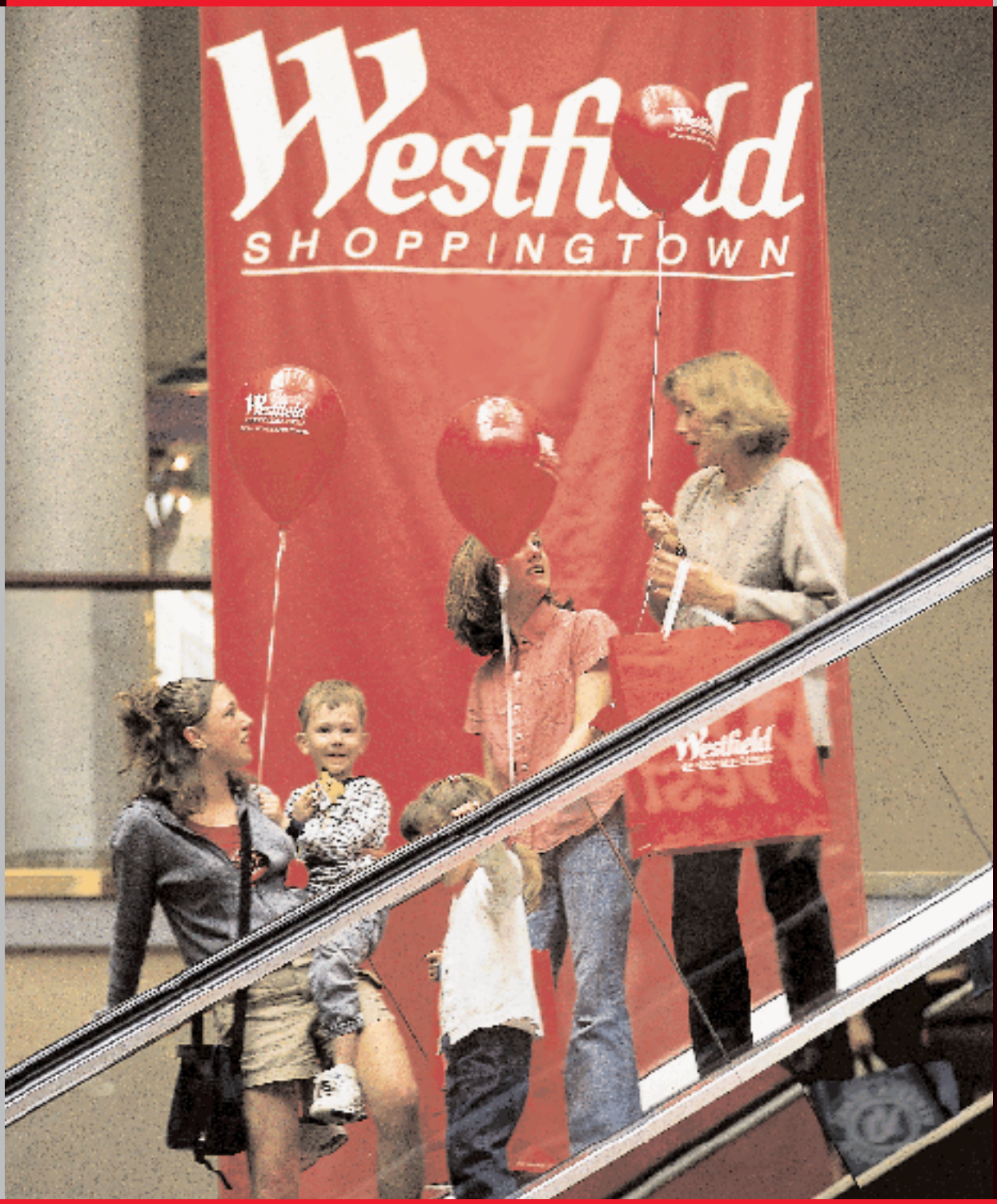
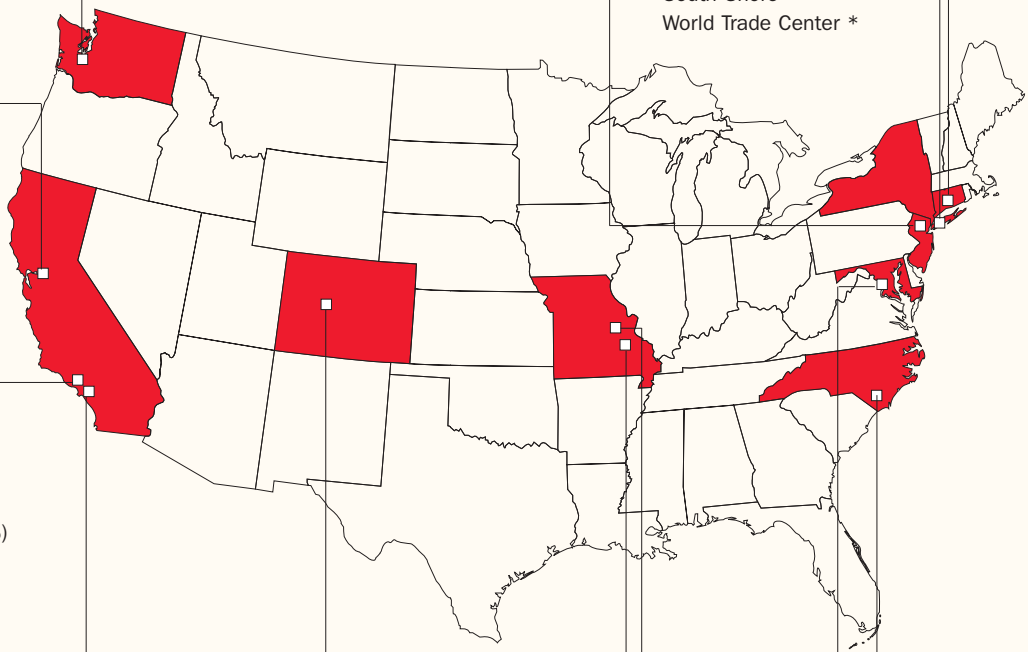


Westfield America Trust

HALF YEAR REPORT 2001

Our Portfolio

WESTFIELD AMERICA TRUST HALF YEAR REPORT 2001



WASHINGTON

Capital
Vancouver (99.5%)

CALIFORNIA

NORTHERN CALIFORNIA

Downtown Plaza
Oakridge
Solano
Valley Fair (50%)

LOS ANGELES

Eagle Rock
Eastland
Fox Hills
Palm Desert
Promenade
Santa Anita (90%)
Topanga
West Covina

SAN DIEGO

Horton Plaza
Mission Valley (76%)
Mission Valley West (76%)
North County
Parkway
Plaza Bonita
Plaza Camino Real (40%)
UTC (50%)

COLORADO

Westland

MISSOURI

CAPE GIRARDEAU

West Park

ST LOUIS

Crestwood
Mid Rivers
Northwest
South County
West County

CONNECTICUT

Connecticut Post
Enfield
Meriden
Trumbull

NEW JERSEY

Garden State Plaza (50%)

NEW YORK

South Shore
World Trade Center *

MARYLAND

Annapolis
Montgomery (50%)
Wheaton

NORTH CAROLINA

Independence (85%)

Note: Westfield America, Inc. owns 100% of each shopping centre unless stated otherwise.

* World Trade Center ground lease acquired July 2001

Directors' Report

WESTFIELD AMERICA TRUST HALF YEAR REPORT 2001

Highlights

- Profit after tax up 37.7% to $91.6 million;
- Distribution to unit holders up 5.8% to 6.75 cents per unit;
- Acquisition of publicly held common shares in Westfield America, Inc.
- Acquisition of long-term lease for the retail component of the World Trade Center in New York for 99 years;
- Equity attributable to unit holders up 49.6% to US$1.5 billion ($2.9 billion);
- Redevelopment projects with a combined value of more than US$600 million were completed or are under construction.

Profit

Westfield America Trust's profit after tax for six months to 30 June 2001 was $91.6 million, up 37.7% on the same period last year. This result represents 6.75 cents per unit, an increase of 5.8% over the previous corresponding period.

The underlying US dollar earnings were converted into Australian dollars at an average exchange rate of US$0.6051.

The profit is after US withholding tax for which Australian investors receive a tax credit.

Acquisition of publicly held common shares in Westfield America, Inc.

During the period, Westfield America Trust launched a tender offer to acquire all outstanding common shares in Westfield America, Inc. held by the public. When the tender offer closed in April, Westfield America Trust and Westfield Holdings held 96.1% of Westfield America, Inc.'s common shares. Westfield America Trust now intends to proceed with the necessary steps to acquire the balance of common shares held by the public in Westfield America, Inc.

Capital Raising

During the period, in addition to Distribution Reinvestment proceeds, Westfield America Trust raised $705 million of equity capital.

Financial Highlights

	June 2001	June 2000	% Change
Distribution per unit (cents per unit)	6.75	6.38	5.8%
Operating Profit before tax (cents per unit)	7.21	6.74	7.0%
Operating Profit before tax ($ million)	91.6	66.5	37.7%
Unit holders' funds (US$ million)	1,475.9	986.7	49.6%

Directors' Report

WESTFIELD AMERICA TRUST HALF YEAR REPORT 2001

In order to fund the acquisition of minority interests in Westfield America, Inc., Westfield America Trust issued $450 million of ordinary units and $100 million of redeemable converting preference units in the June half year. The equity issue of $450 million included $150 million of over subscriptions thus making it the largest placement in the history of the listed property market in Australia.

In June 2001 Westfield America Trust raised $155 million through the conversion of partly-paid units. These funds were raised to subscribe for additional equity in Westfield America, Inc.

Property Investments

Westfield America's portfolio of US shopping centres continued to perform well in the period ended 30 June 2001. Retail mall sales during the period totalled US$1.7 billion, an increase of 2.0% on a comparable basis over the same period last year.

This is consistent with the slowing in growth of retail sales from the very strong growth recorded in the past few years.

Property Transactions

The highlight of the period under review was the agreement announced in April and completed in July for Westfield America to acquire a long-term lease for the retail component of the World Trade Center in New York for 99 years. This property will be re-branded Westfield Shoppingtown World Trade Center.

Westfield's leasehold interest covers approximately 40,000 square metres of retail space, which has one of the highest producing sales volumes in the US, with sales in excess of US$9,700 per square metre. The retail area serves 40,000 office workers, 150,000 daily visitors and is an important business and tourism hub.

In May Westfield America announced it had formed a joint venture with JP Morgan Fleming Asset Management Inc., for one of the portfolio's premier malls – Westfield Shoppingtown Montgomery in Bethesda, Maryland. The mall has a value of approximately US$281 million and JP Morgan acquired a 50% interest in the joint venture, which will enable Westfield America to reduce debt and free up capital to finance future growth.

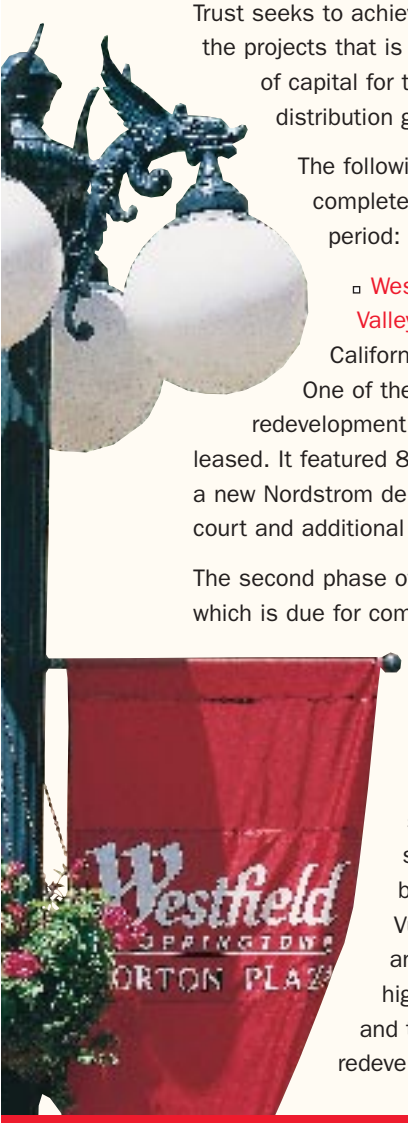
Department store chain Montgomery Ward which has been in Chapter 11 for some time, recently sold 250 stores across America. Of these, seven were in Westfield Shoppingtowns. Subsequently, Westfield America recently completed the purchase of two of these stores at Westfield Shoppingtowns Plaza Bonita and Topanga in order to facilitate future redevelopments. Of the remaining five stores:

- Target acquired the stores at Westfield Shoppingtowns Eagle Rock, Mission Valley and Wheaton; and
- Sears acquired two stores, one at Westfield Shoppingtown Annapolis and the other at Westfield Shoppingtown Oakridge for its new concept, The Great Indoors.

Redevelopment Program

Three projects were completed during the six-month period and six projects are under construction.

Importantly for Westfield America Trust's unit holders, the substantial investment made to redevelop the shopping centres enhances the total return from these centres over the medium to long-term. At the same time, the Trust seeks to achieve an initial yield from the projects that is greater than the cost of capital for the Trust, leading to distribution growth.



The following projects were completed during the six-month period:

- Westfield Shoppingtown Valley Fair (Northern California) – In March, Stage One of the US$165 million redevelopment, was opened fully leased. It featured 80 new specialty stores, a new Nordstrom department store, food court and additional parking facilities.

  The second phase of the redevelopment, which is due for completion in the first half of 2002, will position Valley Fair as the premier shopping destination in the area with a total of 270 specialty stores, including several leading retail brands such as Louis Vuitton, Tiffany & Co. and Fendi, reflecting the high income trade area and the quality of the redeveloped centre.

- Westfield Shoppingtown Independence (North Carolina) – In May the US$55 million redevelopment incorporating a new Dillard's department store as well as 15,000 square metres of specialty stores, a food court, restaurants and a renovation of the existing centre was completed. The redevelopment opened on time and on budget with mall shops 93% leased reflecting the region's growth since 1979 when the centre originally opened.

- Westfield Shoppingtown Parkway (San Diego) – The US$14 million redevelopment of the community retail strip centre opened fully leased in March with added big box retailers Best Buy, Borders books and Office Depot and served to revitalise this area of the property.

The following projects are currently underway:

- Westfield Shoppingtown West County (St Louis) – The US$232 million redevelopment will position the centre as a new super-regional mall of more than 110,000 square metres, including the only Nordstrom in St Louis, flagship Lord & Taylor and Famous-Barr department stores and a renovated JCPenney. The development is expected to be completed in the second half of 2002.

- Westfield Shoppingtown South County (St Louis) – The US$54 million redevelopment will include a comprehensive renovation of the existing centre together with a new Sears department store, two levels of new and reconfigured mall shops totalling 16,700 square metres and with a new food court. Construction is on schedule for completion in late 2002.

Directors' Report

- Westfield Shoppingtown Promenade (Los Angeles) – The US$35 million redevelopment will transform the centre into an entertainment/retail centre. Upon completion in the second half of the year, the new entertainment venues are expected to establish the centre as a leading lifestyle and entertainment destination in the West San Fernando Valley.
- Westfield Shoppingtown Palm Desert (Los Angeles) – The US$30 million redevelopment, including a new Sears, expanded Macy's and Robinsons-May, and a comprehensive renovation, will competitively reposition the centre in its market and is expected to be completed in the second half of 2002.
- Westfield Shoppingtown Montgomery (Maryland) – The May Company acquired the top level of the former JCPenney Store, allowing Hecht's to relocate its Home Store and facilitate the expansion and remodelling of its existing store. At the same time Westfield America acquired the lower level of the JCPenney Store, enabling the addition of 5,900 square metres of gross lettable area, including a 2,300 square metre Old Navy store to enhance the Shoppingtown's retail mix. The total project cost is approximately US$19 million with an estimated completion date in the second half of 2001.
- Westfield Shoppingtown Enfield (Connecticut) – The US$11 million redevelopment plan incorporates a new 11,700 square metre Target store, a new entrance court and revised mall connection to the centre court as well as off-site road improvements. The redevelopment is scheduled to be completed in the first half of 2002.

Financial Position

At 30 June 2001 Westfield America Trust was the fourth-largest property trust listed on the Australian Stock Exchange with a market capitalisation of $2.7 billion.

Total consolidated assets of the Trust were US$4.9 billion at 30 June 2001. Equity attributable to unit holders was US$1.5 billion ($2.9 billion), up 49.6% on the previous corresponding period. There were no revaluations of centres during the period.

At 30 June 2001 net asset value per unit was $1.79, an increase of 14.2% over the value at June 2000 of $1.56.

An interim distribution of 6.75 cents per unit will be paid on 31 August 2001 to holders of units as at the record date of 16 August 2001.

Directors

The Directors of Westfield America Management Limited, the Responsible Entity of Westfield America Trust, during the half year were F P Lowy, AC, F G Hilmer, AO, D H Lowy, R A Ferguson, D M Gonski, S P Johns, P S Lowy, S M Lowy, D R Wills, AO and C M Zampatti, AM. Each of the Directors held office throughout the half year and there has been no change to the Board since the end of the half year.

Westfield Shoppingtown Valley Fair, California

Outlook

The Directors expect, barring unforeseen circumstances, a sound performance in the second half of 2001, which should lead to increased distributions to unit holders.

Made on 28 August 2001 in accordance with a resolution of the Board of Directors.

F P Lowy, AC
Chairman

Westfield Shoppingtown Horton Plaza, San Diego

Statutory & Financial Statements

Consolidated

Statement of Financial Performance

for the half year ended 30 June 2001

WESTFIELD AMERICA TRUST 2001

	Note 1(n)	US$ Million 30 June 2001	US$ Million 30 June 2000	A$ Million 30 June 2001	A$ Million 30 June 2000
Revenues from Ordinary Activities					
Shopping Centre Rental and Other Income		**263.6**	255.2	**488.7**	409.6
Department Store Lease Rental		**3.9**	3.9	**7.5**	6.3
Interest Income		**2.5**	8.2	**4.8**	13.2
Other Income		**–**	0.2	**–**	0.3
Currency Translation Gains		**–**	–	**0.1**	0.1
Revenues from Trading Activities		**270.0**	267.5	**501.1**	429.5
Revenues from Asset Sale	6(c)	**140.5**	–	**232.2**	–
Revenues from Ordinary Activities		**410.5**	267.5	**733.3**	429.5
Expenses from Ordinary Activities					
Rates, Taxes and Other Property Outgoings	22	**89.3**	87.1	**170.8**	139.8
Legal Fees		**0.0**	0.0	**0.0**	0.0
Auditors' Remuneration	24	**0.4**	0.4	**0.8**	0.6
Trustee/Custodian Fees		**0.0**	0.0	**0.0**	0.0
Advisor's Service Fee	32(v)(d)	**4.6**	5.4	**8.9**	8.7
Other Expenses		**1.2**	0.9	**2.3**	1.3
Expenses from Trading Activities		**95.5**	93.8	**182.8**	150.4
Cost of Asset Sold		**140.4**	–	**232.0**	–
Expenses from Ordinary Activities		**235.9**	93.8	**414.8**	150.4
Borrowing costs expense					
Interest and Other Borrowing Costs		**81.7**	77.7	**156.2**	124.7
Department Store Debt Interest Expense		**2.3**	2.4	**4.5**	3.9
Coupon on Capital Notes		**12.0**	12.0	**22.9**	19.7
Coupon on Convertible Redeemable Preference Shares		**7.4**	7.4	**14.2**	12.2
Coupon on Redeemable Converting Preference Units		**0.9**	–	**1.8**	–
Borrowing Costs Expense	23	**104.3**	99.5	**199.6**	160.5
Share of Equity Accounted Joint Ventures' Net Profits	21(b)	**18.7**	9.5	**35.9**	15.2
Earnings from Ordinary Activities Before Withholding Tax		**89.0**	83.7	**154.8**	133.8
Less - United States Withholding Tax thereon relating to Ordinary Activities		**4.2**	2.7	**7.0**	4.3
Earnings from Ordinary Activities After Withholding Tax but before Outside Equity Interests	35(b)	**84.8**	81.0	**147.8**	129.5
Less - Earnings After Withholding Tax Attributable to Outside Equity Interests		**29.4**	38.4	**56.2**	63.0
Earnings from Ordinary Activities After Withholding Tax and Outside Equity Interests		**55.4**	42.6	**91.6**	66.5

	Note 1(n)	US$ Million 30 June 2001	US$ Million 30 June 2000	A$ Million 30 June 2001	A$ Million 30 June 2000
Increase (decrease) in Asset Revaluation Reserve	17	**22.6**	54.6	**45.9**	91.0
Increase (decrease) in Asset Reallocation Reserve	17	**–**	6.3	**–**	10.4
Increase (decrease) in Option Premium Reserve	17	**–**	4.7	**–**	8.1
Net Exchange Difference on Translation of Financial Report of Self-Sustaining Foreign Operations	17	**–**	–	**208.6**	121.7
Total Revenues, Expenses and Valuation Adjustments Attributable to Members of the Parent Entity and Recognised Directly in Equity		**22.6**	65.6	**254.5**	231.2
Total Changes in Equity other than those resulting from Transactions with Owners as Owners	20	**78.0**	108.2	**346.1**	297.7

		Cents 30 June 2001	Cents 30 June 2000
Basic Earnings Per Unit (cents)	25		
Earnings before Withholding Tax		**7.21**	6.74
Less - United States Withholding Tax thereon		**0.46**	0.36
Earnings after Withholding Tax and Outside Equity Interests Attributable to Members of Westfield America Trust		**6.75**	6.38

Refer Note 25 for Diluted Earnings Per Unit

		A$ Million 30 June 2001	A$ Million 30 June 2000
STATEMENT OF DISTRIBUTION			
Earnings from Ordinary Activities Attributable to Members of Westfield America Trust			
Earnings from Ordinary Activities before Withholding Tax		**97.8**	70.2
Less - United States Withholding Tax thereon relating to Ordinary Activities		**6.2**	3.7
Earnings from Ordinary Activities after Withholding Tax and Outside Equity Interests Attributable to Members of Westfield America Trust		**91.6**	66.5
Distribution paid/payable	18, 20	**91.6**	66.5
Distribution Per Unit (cents)	25	**6.75**	6.38

Consolidated

Statement of Financial Position

as at 30 June 2001

WESTFIELD AMERICA TRUST 2001

	Note 1(n)	US$ Million 30 June 2001	31 Dec 2000	30 June 2000	A$ Million 30 June 2001	31 Dec 2000	30 June 2000
CURRENT ASSETS							
Cash		**64.1**	44.7	46.8	**111.4**	70.6	73.5
Bank Bills Receivable		**28.0**	–	–	**55.3**	–	–
Receivables	3	**17.2**	25.6	26.7	**33.7**	46.0	44.5
Other	4	**28.9**	19.6	14.7	**54.3**	34.8	24.4
TOTAL CURRENT ASSETS		**138.2**	89.9	88.2	**254.7**	151.4	142.4
NON-CURRENT ASSETS							
Property Investments	5,6	**4,242.1**	4,341.7	4,150.4	**8,358.8**	7,825.7	6,911.6
Investment in equity accounted joint ventures	21(d)	**479.1**	416.0	438.9	**944.1**	749.8	730.8
Other	7	**58.5**	64.2	58.6	**115.2**	115.8	97.7
TOTAL NON-CURRENT ASSETS		**4,779.7**	4,821.9	4,647.9	**9,418.1**	8,691.3	7,740.1
TOTAL ASSETS		**4,917.9**	4,911.8	4,736.1	**9,672.8**	8,842.7	7,882.5
CURRENT LIABILITIES							
Payables	8	**144.2**	131.7	117.7	**266.5**	227.0	191.5
Interest-bearing liabilities							
Borrowings	9	**123.9**	946.4	23.1	**244.3**	1,705.8	38.6
Capital Notes	10	**100.4**	100.4	100.4	**197.8**	180.9	167.1
TOTAL CURRENT LIABILITIES		**368.5**	1,178.5	241.2	**708.6**	2,113.7	397.2
NON-CURRENT LIABILITIES							
Payables	11	**53.8**	64.2	66.3	**106.0**	115.7	110.4
Interest-bearing liabilities							
Borrowings	12	**2,200.4**	1,420.2	2,177.4	**4,335.9**	2,559.8	3,626.0
Capital Notes	13	**100.4**	200.7	200.7	**197.8**	361.8	334.3
Convertible Redeemable Preference Shares	14	**175.0**	175.0	175.0	**344.8**	315.4	291.4
Redeemable Converting Preference Units	15	**50.8**	–	–	**100.0**	–	–
TOTAL NON-CURRENT LIABILITIES		**2,580.4**	1,860.1	2,619.4	**5,084.5**	3,352.7	4,362.1
TOTAL LIABILITIES		**2,948.9**	3,038.6	2,860.6	**5,793.1**	5,466.4	4,759.3
NET ASSETS		**1,969.0**	1,873.2	1,875.5	**3,879.7**	3,376.3	3,123.2
EQUITY INTERESTS							
Parent Entity Interest							
Units on Issue	16	**1,308.7**	976.6	863.7	**1,977.3**	1,344.5	1,148.0
Reserves	17	**103.6**	110.7	89.1	**821.7**	623.4	442.2
Retained Earnings	18	**63.6**	33.9	33.9	**109.1**	52.9	52.9
Equity attributable to Members of Westfield America Trust		**1,475.9**	1,121.2	986.7	**2,908.1**	2,020.8	1,643.1
Outside Equity Interests							
Capital on Issue		**344.7**	572.8	698.5	**478.8**	779.7	936.4
Reserves		**62.8**	104.6	126.2	**361.3**	461.2	445.2
Retained Earnings		**85.6**	74.6	64.1	**131.5**	114.6	98.5
Total Outside Equity Interests	19	**493.1**	752.0	888.8	**971.6**	1,355.5	1,480.1
TOTAL EQUITY INTERESTS	20	**1,969.0**	1,873.2	1,875.5	**3,879.7**	3,376.3	3,123.2

Consolidated

Statement of Cash Flows

for the half year ended 30 June 2001

WESTFIELD AMERICA TRUST 2001

	Note 1(n)	US$ Million 30 June 2001	US$ Million 30 June 2000	A$ Million 30 June 2001	A$ Million 30 June 2000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts in the course of operations		**269.4**	260.3	**499.3**	417.7
Payments in the course of operations		**(94.4)**	(94.7)	**(177.9)**	(151.9)
Interest received		**2.4**	9.2	**4.4**	14.7
Distributions received from equity accounted joint ventures		**18.7**	9.4	**35.4**	15.1
CASH IN/(OUT) FLOWS FROM OPERATING ACTIVITIES	35(b)	**196.1**	184.2	**361.2**	295.6
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property investments and construction in progress		**(169.3)**	(75.3)	**(323.8)**	(123.8)
Proceeds from sale of investments		**62.1**	–	**121.5**	–
Net cash flows from financing of investments in equity accounted joint ventures		**(6.0)**	(3.3)	**(11.5)**	(5.5)
CASH IN/(OUT) FLOWS FROM INVESTING ACTIVITIES		**(113.2)**	(78.6)	**(213.8)**	(129.3)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of capital (net of costs)		**337.9**	30.2	**633.0**	49.6
Acquisition of minority interests		**(229.0)**	(17.3)	**(435.8)**	(28.6)
Borrowings - proceeds		**48.3**	67.6	**95.4**	111.3
Interest and other borrowing costs paid		**(109.5)**	(109.0)	**(207.4)**	(176.8)
Distributions paid		**(47.7)**	(39.5)	**(75.4)**	(60.9)
Dividends and distributions paid by controlled entities to Outside Equity Interests		**(28.4)**	(30.3)	**(49.6)**	(48.1)
United States Withholding Tax paid		**(7.1)**	(7.4)	**(11.6)**	(11.6)
CASH IN/(OUT) FLOWS FROM FINANCING ACTIVITIES		**(35.5)**	(105.7)	**(51.4)**	(165.1)
NET CASH IN/(OUT) FLOWS FOR THE PERIOD		**47.4**	(0.1)	**96.0**	1.2
CASH BALANCE AT BEGINNING OF THE PERIOD		**44.7**	46.9	**70.6**	72.2
Exchange gains/(losses) on cash balance brought forward at the beginning of the period		**–**	–	**0.1**	0.1
CASH BALANCE AT END OF THE PERIOD	35(a)	**92.1**	46.8	**166.7**	73.5

NOTE 1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Preparation

The Half Year Report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 (Cwlth), applicable Australian Accounting Standards including AASB 1029: Half Year Accounts and Consolidated Accounts and other mandatory professional reporting requirements.

The Half Year Report is to be read in conjunction with the Annual Report of Westfield America Trust for the year ended 31 December 2000 and any public announcement made by Westfield America Trust and its controlled entities during the half year ended 30 June 2001 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 (Cwlth).

For the purpose of the Half Year Report, the half year has been treated as a discrete reporting period. The Half Year Report has been prepared on the basis of historical cost accounting and does not purport to disclose current values except where, in accordance with the requirements of the Constitution, Group property investments are stated at fair value and are independently valued at intervals of not more than three years. Such valuations are reflected in the Financial Report of the Group.

On the occasion of a revaluation of a Group property investment by way of independent valuation, the remaining assets in that class are reviewed and appropriate adjustments made for any material increment or decrement.

The accounting policies adopted are in all material respects consistent with those applied in the previous period except as otherwise stated.

(b) Principles of Consolidation

The Consolidated Financial Statements include the results, assets and liabilities of the Parent Entity, Westfield America Trust ("WAT"), its controlled entities and partially owned property partnerships as noted below.

WAT and its controlled entities are collectively referred to as the "Group". The Group and its equity accounted property interests are collectively referred to as the "Economic Entity".

The Group has significant co-ownership interests in a number of properties. These interests are held through partial ownership in property partnerships. In accordance with AASB 1006 "Interests in Joint Ventures", the Group has consolidated partially owned property partnerships which it controls and has applied the equity method of accounting to partially owned property partnerships that are joint ventures over which it has significant influence.

Where entities adopt accounting policies which differ from those of the Parent Entity, adjustments have been made so as to ensure consistency with the Parent Entity, and compliance with applicable Australian Accounting Standards and the provisions of the Constitution of the Parent Entity. All intercompany balances and transactions, and unrealised profits arising from intra-Economic Entity transactions, have been eliminated in full.

Incremental interests acquired in controlled entities are reflected in these Financial Statements at their fair values. Adjustments have been made to the relevant equity interests to reflect any differences between the purchase price and the fair value. Adjustments have also been made to each class of equity interests to reflect the appropriate proportionate ownership interests.

The names of the controlled entities and the equity accounted property partnerships, and the Economic Entity's beneficial interests therein are set out in Notes 21 & 34.

(c) Foreign Currencies

Translation of foreign currency transactions

Transactions in foreign currencies of entities within the Economic Entity are converted to local currency at the rate of exchange ruling at the date of the transaction or at hedge rates where applicable.

Amounts payable to and by the entities within the Economic Entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the period.

Except for certain specific hedges and hedges of foreign currency operations, all resulting exchange differences arising on settlement or re-statement are brought to account in determining the Earnings Before Withholding Tax and Outside Equity Interests for the financial period, and transaction costs, premiums and discounts on forward currency contracts are deferred and amortised over the life of the contract.

NOTE 1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Foreign Currencies (continued)

Hedges of foreign operations

Exchange gains and losses on instruments which hedge borrowings and investments in foreign operations are taken to the foreign currency translation reserve on consolidation.

Translation of accounts of foreign operations

All overseas operations are deemed self-sustaining as each is financially and operationally independent of WAT. The Financial Reports of overseas operations are translated to Australian dollars using the current rate method, except for hedged assets and liabilities which are translated at the applicable currency hedge contract rates. Any exchange differences are taken directly to the foreign currency translation reserve.

Applicable exchange rates

Where relevant, assets and liabilities of the Economic Entity's United States operations have been translated into Australian Dollars at the period end exchange rate applicable for the period: June 2001 A$1.00 = US$0.5075; December 2000 A$1.00 = US$0.5548; and June 2000 A$1.00 = US$0.6005. Revenues from Ordinary Activities have been translated at the average exchange rate (as adjusted for applicable hedges) of, 2001: A$1.00 = US$0.5378, 2000: A$1.00 = US$0.6231. Earnings from Ordinary Activities after tax, attributable to Members reflect the US Dollar hedge rates applicable for the period, 2001: A$1.00 = US$0.6051 and 2000: A$1.00 = US$0.6412.

(d) Revenues from Ordinary Activities

Revenues from rents and other property income (net of bad and doubtful debts) are brought to account on an accruals basis, and if not received at balance date, are reflected in the Statement of Financial Position as receivables. Percentage rent is brought to account on an accruals basis. Recoveries from tenants are recognised as income in the period the applicable costs are accrued. Profits from the sale of property investments are recognised upon settlement and after contractual duties are completed.

(e) Expenses from Ordinary Activities

Expenses from Ordinary Activities including rates, taxes and other outgoings, are brought to account on an accruals basis.

(f) Income Tax Expense Relating to Ordinary Activities

Under current Australian Income Tax legislation, WAT is not liable to income tax including capital gains tax, provided it distributes an amount at least equal to its net accounting income (as defined in the Constitution) for the year.

Westfield America, Inc. ("WEA"), is a Real Estate Investment Trust ("REIT") for United States Income Tax purposes. To maintain its REIT status, WEA is required to distribute at least 90% of its taxable income to shareholders and meet certain asset and income tests as well as certain other requirements. As a REIT, WEA will generally not be liable for federal and state income taxes in the United States, provided it satisfies the necessary requirements and distributes 100% of its taxable income to its shareholders.

Under current Australian Income Tax legislation, Members in WAT are generally entitled to receive a foreign tax credit for US withholding tax deducted from dividends paid to WAT by WEA. Withholding tax expense has been calculated after adjusting for the effect of timing differences which occur when items are assessed or deducted for tax purposes in a different period than for accounting.

NOTE 1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Investments

Property Investments

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution of value of the building content due to the effluxion of time. Accordingly, the buildings and any component thereof (including plant and equipment) are not depreciated.

Property investments are revalued independently at intervals of not more than three years. In determining the fair value, the independent valuers use both the capitalisation of net income and the discounting of future net cash flows methods. Market determined risk-adjusted rates are used in these calculations. Such valuations are reflected in the Financial Statements.

At each reporting period, the carrying value of this class of assets is assessed to ensure its carrying value does not materially differ from fair value. Where the carrying value differs materially from fair value, an adjustment is made as appropriate. In determining fair value, the capitalisation of net income method is used.

Equity Accounted Joint Ventures

Investments in equity accounted joint ventures are carried at the lower of the equity accounted amount and recoverable amount.

(h) Replacements and Maintenance

The Economic Entity's major source of income is from its investment in shopping centre properties. Whilst no provision for maintenance is made in respect of these properties, in order to maintain these assets to provide the existing economic return, regular revaluations are made which take into account the need for future repairs, replacements and maintenance of a substantial but infrequent nature which are capitalised when incurred.

Expenditures for repairs and maintenance that are not of a substantial or infrequent nature are expensed as incurred. Certain of these costs are chargeable to the tenants as provided in their leases and such reimbursements are included in operating revenue.

(i) Properties Subject to Development

Expenses capitalised to properties subject to development include the cost of acquisition, development, rates, taxes and borrowing costs during development. After development is completed, borrowing costs and other holding charges are expensed as incurred.

(j) Cash Flows

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash, net of bank overdrafts.

(k) Financial Information Expressed in United States Dollars

In addition to all amounts reported in Australian Dollars ("A$" or "$"), where appropriate, United States Dollar amounts or equivalent amounts ("US$") have also been provided in respect of certain assets, liabilities, revenue and expenditure.

The amounts reported in US$ have been taken directly from the US$ denominated Financial Statements of the relevant controlled or equity accounted entities, or, where a currency other than the US$ is the functional currency, have been translated into US$ at the exchange rate ruling at the date of the transaction and at the hedge rate in respect of specifically hedged items.

(l) Derivatives and Other Financial Instruments

The Economic Entity's activities expose it to changes in interest rates and foreign exchange rates. There are policies and limits approved by the Board of Directors of Westfield America Management Limited as the Responsible Entity of WAT ("Responsible Entity") in respect of the usage of derivative and other financial instruments to hedge cash flows subject to interest rate and currency risks. Management reports to the Board on a regular basis as to the monitoring of the policies in place.

NOTE 1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

(l) Derivatives and Other Financial Instruments (continued)

The accounting policies adopted in relation to material financial instruments are detailed as follows:

Recognised Financial Instruments

(i) Financial Liabilities

Interest-bearing liabilities: Borrowings, Capital Notes, Notes Payable, Convertible Redeemable Preference Shares and Redeemable Converting Preference Units

Bank Loans, Capital Notes, Notes Payable, Convertible Redeemable Preference Shares and Redeemable Converting Preference Units are carried at their face value or at their fair value at the time of acquisition in the case of assumed liabilities. Interest is charged as an expense on an accruals basis. Terms and conditions are set out in Notes 9, 10, 12, 13, 14 and 15.

Given their economic characteristics, Westfield America Management Limited considers the Convertible Redeemable Preference Shares to be equity. However, they have been treated as debt in accordance with Australian Accounting Standard AASB 1033 - "Presentation and Disclosure of Financial Instruments" and other mandatory professional reporting requirements.

Unrecognised Derivative Financial Instruments

Interest Rate Swaps

The Economic Entity enters into interest rate swap agreements with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised in the profit and loss account on an accruals basis over the life of the hedges. Details are set out in Note 31.

Cross Currency Swaps and Forward Exchange Contracts

The Economic Entity enters into cross currency swaps and forward exchange contracts where it agrees to buy or sell specified amounts of foreign currencies at predetermined exchange rates. The objective is to minimise the risk of exchange rate fluctuation in respect of a portion of its foreign currency denominated liabilities and future earnings. The values of the cross currency swaps and forward exchange contracts are brought to account in conjunction with the liabilities and income to which the hedges relate. Details are set out in Note 31.

The Economic Entity does not trade in derivative financial instruments for speculative purposes. In conjunction with its advisers, the Economic Entity continually reviews its exposures and upgrades its treasury policies and procedures. Revenues or expenses arising from changes in the net market values of hedging instruments are matched and brought to account with the carrying values and income streams of the underlying assets or liabilities.

Disclosure of Market Values

The applicable market rates and prices in respect of derivative and other financial instruments are set out in the notes to these Financial Statements.

(m) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except as stated in Note 1(i). Borrowing costs include:

(i) interest on bank overdrafts and short-term and long-term borrowings;

(ii) interest on derivative financial instruments which hedge underlying borrowings;

(iii) amortisation of discounts or premiums relating to borrowings; and

(iv) amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(n) Rounding

Pursuant to ASIC Class Order 98/0100, the amounts shown in the Financial Report have, unless otherwise indicated, been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

(o) Comparative Figures

Except as noted, certain comparative figures have been restated in order to comply with the current period's presentation of the Financial Report.

NOTE 2 TENDER OFFER AND MERGER

During March 2001, WAT made a tender offer to acquire an additional 15.4% economic interest in WEA comprising 16.5 million Common Shares. In April 2001, 13.6 million Common Shares were acquired pursuant to the offer. As a result, the Trust's economic interest in WEA increased from 56.9% to 69.6%. It is expected that the remaining 2.9 million WEA Common Shares will be acquired during the period to December 2001.

In order to fund this acquisition, during the financial period WAT issued 310,500,000 Ordinary Units raising $450 million and 1,000,000 Redeemable Converting Preference Units raising an additional $100 million. These capital raisings were approved by Members at a meeting held on 27 March 2001.

Related party transactions in connection with the offer are detailed in Note 32.

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
NOTE 3 RECEIVABLES						
Trade debtors	**17.3**	27.0	28.1	**33.9**	48.5	46.8
Less: Provision for doubtful debts (refer below)	**(0.1)**	(1.4)	(1.4)	**(0.2)**	(2.5)	(2.3)
	17.2	25.6	26.7	**33.7**	46.0	44.5
Movement in provision for doubtful debts						
Balance at beginning of the period	**(1.4)**	(0.2)	(0.2)	**(2.7)**	(0.4)	(0.4)
Bad debts previously provided for/ written-off during the period	**1.7**	1.6	0.7	**3.3**	3.0	1.3
Bad and doubtful debts expensed/provided for during the period	**(0.4)**	(2.8)	(1.9)	**(0.8)**	(5.1)	(3.2)
Balance at end of the period	**(0.1)**	(1.4)	(1.4)	**(0.2)**	(2.5)	(2.3)
NOTE 4 OTHER CURRENT ASSETS						
Prepayments, deferred costs and other debtors	**28.9**	19.6	14.7	**54.3**	34.8	24.4
	28.9	19.6	14.7	**54.3**	34.8	24.4

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
NOTE 5 PROPERTY INVESTMENTS						
Shopping centre, department stores and other property investments at fair value, based on independent valuations and acquisition costs, as appropriate (refer Notes 6(a) and 6(b))	**4,068.4**	4,232.9	4,065.2	**8,016.6**	7,629.6	6,769.7
Shopping centre construction in progress, at cost	**173.7**	108.8	85.2	**342.2**	196.1	141.9
	4,242.1	4,341.7	4,150.4	**8,358.8**	7,825.7	6,911.6
Movement in property investments						
Balance at beginning of the period	**4,341.7**			**7,825.7**		
Additions	**170.8**			**336.8**		
Disposals	**(135.2)**			**(266.5)**		
Exchange differences on retranslation	**–**			**729.3**		
Equity accounting applied to properties previously consolidated	**(135.2)**			**(266.5)**		
Balance at end of the period	**4,242.1**			**8,358.8**		

NOTE 6(a) DETAILS OF INVESTMENTS

(expressed in US$ million)

FREEHOLD PROPERTY	CONSOLIDATED OR EQUITY ACCOUNTED INTEREST %	OWNERSHIP INTEREST %	ORIGINAL PURCHASE DATE	TOTAL ORIGINAL ACQUISITION COST	CAPITAL EXPENDITURE SINCE ACQUISITION	INDEPENDENT VALUATION	CAPITAL EXPENDITURE SINCE VALUATION	BOOK VALUE 30 JUNE 2001
CONSOLIDATED PROPERTIES								
Annapolis	100.0	100.0	01/07/96 & 03/06/97	187.3	27.8	203.7 (i)	22.2	225.9
Capital Mall	100.0	100.0	07/10/98 & 09/12/98	54.5	5.0	n/a	–	59.5
Connecticut Post	100.0	100.0	01/07/96	139.2	40.6	148.6 (ii)	32.4	181.0
Crestwood	100.0	100.0	15/01/98	106.4	9.2	127.7 (iv)	1.1	128.8
Downtown Plaza	100.0	100.0	02/11/98	150.1	3.1	n/a	–	153.2
Eagle Rock	100.0	100.0	01/07/96	24.7	2.0	29.3 (i)	0.9	30.2
Eastland	100.0	100.0	01/07/96	23.2	35.5	67.0 (ii)	1.1	68.1
Enfield	100.0	100.0	01/07/96	43.5	14.9	62.8 (iv)	1.1	63.9
Fox Hills	100.0	100.0	07/10/98	80.4	4.6	n/a	–	85.0
Horton	100.0	100.0	02/11/98	209.9	2.9	n/a	–	212.8
Independence Mall	100.0	85.0	13/08/98; 30/10/98 & 01/01/99	61.8	51.1	68.0 (v)	48.7	116.7
Meriden	100.0	100.0	01/07/96 & 15/09/97	105.4	43.6	132.4 (ii)	27.6	160.0
Mid Rivers	100.0	100.0	01/07/96	74.5	17.9	124.0 (iv)	1.9	125.9
Mission Valley & Mission Valley - West	100.0	75.8	01/07/96	125.5	44.1	165.6 (iii)	9.8	175.4
North County	100.0	100.0	01/07/96 & 02/11/98	153.6	2.5	148.8 (ii)	0.9	149.7
Northwest	100.0	100.0	16/12/97	111.1	7.0	135.7 (iv)	1.6	137.3
Oakridge	100.0	100.0	07/10/98	79.4	3.5	n/a	–	82.9
Palm Desert	100.0	100.0	18/08/99	82.2	0.8	n/a	–	83.0
Parkway Plaza	100.0	100.0	28/09/98	165.1	15.1	n/a	–	180.2
Plaza Bonita	100.0	100.0	01/07/96	122.2	8.7	133.0 (iv)	7.5	140.5
Promenade	100.0	100.0	27/06/98	33.5	1.4	n/a	–	34.9
Santa Anita	100.0	89.7	28/09/98 & 23/12/98	131.5	18.2	n/a	–	149.7
Solano	100.0	100.0	28/09/98	91.2	8.2	n/a	–	99.4
South County	100.0	100.0	01/07/96	69.6	3.8	75.7 (iv)	1.3	77.0
South Shore	100.0	100.0	01/07/96	142.8	44.7	177.4 (ii)	4.0	181.4
Topanga	100.0	100.0	01/07/96 & 17/11/98	154.5	20.4	159.1 (ii)	19.2	178.3
Trumbull	100.0	100.0	01/07/96	181.8	13.9	208.4 (ii)	7.1	215.5
Vancouver	100.0	99.5	01/07/96 & 06/10/00	80.6	4.0	45.6 (iv)	41.5	87.1
West County	100.0	100.0	01/07/96	44.3	0.1	48.1 (ii)	0.1	48.2
West Covina	100.0	100.0	01/07/96	135.7	8.0	148.4 (i)	3.1	151.5
West Park Mall	100.0	100.0	01/07/96	49.1	3.5	52.0 (iv)	0.7	52.7
Westland	100.0	100.0	01/07/96	25.1	0.4	26.3 (ii)	0.2	26.5
Wheaton	100.0	100.0	30/05/97 & 01/01/99	91.6	4.1	121.1 (iv)	1.7	122.8
Shopping centre investments				3,331.3	470.6		235.7	3,985.0
Department stores	100.0	100.0	01/07/96	83.0	–	83.4 (iv)	–	83.4
Shopping centre, department stores property and other investments				3,414.3	470.6		235.7	4,068.4
EQUITY ACCOUNTED PROPERTIES								
Garden State Plaza	50.0	50.0	01/06/00	331.9	3.1	n/a	–	335.0
Montgomery Mall	50.0	50.0	22/5/01	132.6	3.8	n/a	–	136.4
Plaza Camino Real	40.0	40.0	01/07/96	43.0	2.0	57.2 (iv)	0.6	57.8
UTC	50.0	50.0	31/07/98	93.7	1.5	n/a	–	95.2
Valley Fair	50.0	50.0	31/07/98	149.3	59.5	n/a	–	208.8
West Valley	42.5	42.5	01/07/96	2.9	0.7	11.7 (ii)	0.7	12.4
Equity accounted property investments (refer Note 21(c))				753.4	70.6		1.3	845.6
Total consolidated controlled and equity accounted property investments				4,167.7	541.2		237.0	4,914.0

NOTE 6(b) DETAILS OF INVESTMENTS (continued)

(expressed in A$ million - Translated at the period end exchange rate of A$1.00 = US$0.5075)

FREEHOLD PROPERTY	CONSOLIDATED OR EQUITY ACCOUNTED INTEREST %	OWNERSHIP INTEREST %	ORIGINAL PURCHASE DATE	TOTAL ORIGINAL ACQUISITION COST	CAPITAL EXPENDITURE SINCE ACQUISITION	INDEPENDENT VALUATION	CAPITAL EXPENDITURE SINCE VALUATION	BOOK VALUE 30 JUNE 2001
CONSOLIDATED PROPERTIES								
Annapolis	100.0	100.0	01/07/96 & 03/06/97	369.0	54.8	401.4 (i)	43.7	445.1
Capital Mall	100.0	100.0	07/10/98 & 09/12/98	107.4	9.8	n/a	–	117.2
Connecticut Post	100.0	100.0	01/07/96	274.2	80.0	292.8 (ii)	63.9	356.7
Crestwood	100.0	100.0	15/01/98	209.7	18.1	251.6 (iv)	2.2	253.8
Downtown Plaza	100.0	100.0	02/11/98	295.7	6.0	n/a	–	301.7
Eagle Rock	100.0	100.0	01/07/96	48.7	3.9	57.7 (i)	1.8	59.5
Eastland	100.0	100.0	01/07/96	45.7	70.0	132.0 (ii)	2.2	134.2
Enfield	100.0	100.0	01/07/96	85.7	29.4	123.7 (iv)	2.2	125.9
Fox Hills	100.0	100.0	07/10/98	158.5	9.0	n/a	–	167.5
Horton	100.0	100.0	02/11/98	413.6	5.7	n/a	–	419.3
Independence Mall	100.0	85.0	13/08/98; 30/10/98 & 01/01/99	121.7	100.7	134.0 (v)	95.9	229.9
Meriden	100.0	100.0	01/07/96 & 15/09/97	207.7	85.9	260.9 (ii)	54.4	315.3
Mid Rivers	100.0	100.0	01/07/96	146.7	35.3	244.3 (iv)	3.7	248.0
Mission Valley & Mission Valley - West	100.0	75.8	01/07/96	247.3	86.9	326.3 (iii)	19.3	345.6
North County	100.0	100.0	01/07/96 & 02/11/98	302.8	4.9	293.2 (ii)	1.8	295.0
Northwest	100.0	100.0	16/12/97	218.8	13.8	267.4 (iv)	3.2	270.6
Oakridge	100.0	100.0	07/10/98	156.5	6.9	n/a	–	163.4
Palm Desert	100.0	100.0	18/08/99	162.0	1.6	n/a	–	163.6
Parkway Plaza	100.0	100.0	28/09/98	325.4	29.8	n/a	–	355.2
Plaza Bonita	100.0	100.0	01/07/96	240.8	17.1	262.1 (iv)	14.8	276.9
Promenade	100.0	100.0	27/06/98	66.0	2.8	n/a	–	68.8
Santa Anita	100.0	89.7	28/09/98 & 23/12/98	259.1	35.9	n/a	–	295.0
Solano	100.0	100.0	28/09/98	179.6	16.2	n/a	–	195.8
South County	100.0	100.0	01/07/96	137.2	7.5	149.2 (iv)	2.6	151.8
South Shore	100.0	100.0	01/07/96	281.3	88.1	349.6 (ii)	7.9	357.5
Topanga	100.0	100.0	01/07/96 & 17/11/98	304.5	40.2	313.5 (ii)	37.8	351.3
Trumbull	100.0	100.0	01/07/96	358.2	27.4	410.6 (ii)	14.0	424.6
Vancouver	100.0	99.5	01/07/96 & 06/10/00	158.9	7.9	89.9 (iv)	81.8	171.7
West County	100.0	100.0	01/07/96	87.3	0.2	94.8 (ii)	0.2	95.0
West Covina	100.0	100.0	01/07/96	267.3	15.8	292.4 (i)	6.1	298.5
West Park Mall	100.0	100.0	01/07/96	96.8	6.9	102.5 (iv)	1.4	103.9
Westland	100.0	100.0	01/07/96	49.5	0.8	51.8 (ii)	0.4	52.2
Wheaton	100.0	100.0	30/05/97 & 01/01/99	180.4	8.1	238.6 (iv)	3.2	241.8
Shopping centre investments				6,564.0	927.4		464.5	7,852.3
Department stores	100.0	100.0	01/07/96	163.6	–	164.3 (iv)	–	164.3
Shopping centre, department stores and other property investments				6,727.6	927.4		464.5	8,016.6
EQUITY ACCOUNTED PROPERTIES								
Garden State Plaza	50.0	50.0	01/06/00	654.0	6.1	n/a	–	660.1
Montgomery Mall	50.0	50.0	22/05/01	261.3	7.5	n/a	–	268.8
Plaza Camino Real	40.0	40.0	01/07/96	84.8	3.9	112.7 (iv)	1.1	113.8
UTC	50.0	50.0	31/07/98	184.6	3.0	n/a	–	187.6
Valley Fair	50.0	50.0	31/07/98	294.2	117.2	n/a	–	411.4
West Valley	42.5	42.5	01/07/96	5.7	1.4	23.1 (ii)	1.4	24.5
Equity accounted property investments (refer Note 21(c))				1,484.6	139.1		2.5	1,666.2
Total consolidated controlled and equity accounted property investments				8,212.2	1,066.5		467.0	9,682.8

NOTE 6(c) DETAILS OF INVESTMENTS (continued)

The Economic Entity revalues each of its individual property investments based on independent appraisals as part of a regular revaluation programme. Property investments are carried at their original acquisition cost together with capital expenditure since acquisition or at their latest revalued amount based on independent appraisals together with capital expenditure since the previous revaluation. Details of the latest independent appraisals are as follows:

(i) The independent valuations were carried out by Landauer Associates, Inc. (Registered Valuers) as at 31 December 1998.

(ii) The independent valuations were carried out by Landauer Associates, Inc. (Registered Valuers) as at 30 June 1999.

(iii) Based on the independent valuation carried out by Landauer Associates, Inc. (Registered Valuers) as at 31 December 1998.

(iv) The independent valuations were carried out by Landauer Associates, Inc. (Registered Valuers) as at 31 May 2000.

(v) The independent valuation was carried out by Cushman & Wakefield, Inc. (Registered Valuers) as at 16 March 2000.

The valuations referred to in (i), (ii), (iii), (iv) and (v) were performed predominantly using the discounted cash flow valuation method, with use of the comparable sale and replacement method where appropriate according to the nature of the property.

At each reporting period, the carrying value of this class of assets is assessed to ensure its carrying value does not materially differ from fair value. Where the carrying value differs materially from the fair value, an adjustment is made as appropriate. In determining fair value, the capitalisation of net income method is used.

During the period, the Economic Entity disposed of a 50% interest in Montgomery Mall. This property was sold at book value for cash consideration and the assumption of related borrowings totalling US$62.1 million ($121.5 million) and US$78.4 million ($110.7 million) respectively.

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
NOTE 7 OTHER NON CURRENT ASSETS						
Other debtors and deferred costs	**58.5**	64.2	58.6	**115.2**	115.8	97.7
	58.5	64.2	58.6	**115.2**	115.8	97.7
NOTE 8 PAYABLES - CURRENT						
Trade creditors	**31.8**	26.2	12.6	**62.7**	47.4	21.0
Other creditors and accruals	**55.2**	44.5	46.9	**108.7**	80.3	78.0
United States withholding tax payable	**0.3**	0.3	0.2	**0.5**	0.5	0.4
Distribution payable to Members	**55.4**	47.7	42.6	**91.6**	75.3	66.5
Dividend and distribution payable to Outside Equity Interests	**1.5**	13.0	15.4	**3.0**	23.5	25.6
	144.2	131.7	117.7	**266.5**	227.0	191.5
NOTE 9 INTEREST-BEARING LIABILITIES: BORROWINGS - CURRENT						
Bank bills payable - unsecured (refer Note 12(a))	**–**	26.3	8.5	**–**	47.5	14.2
Notes payable - secured (refer Note 12(a))	**123.9**	920.1	14.6	**244.3**	1,658.3	24.4
	123.9	946.4	23.1	**244.3**	1,705.8	38.6

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
NOTE 10 INTEREST-BEARING LIABILITIES: CAPITAL NOTES - CURRENT						
Capital Notes - unsecured, subordinated	**78.7**	86.0	93.1	**155.0**	155.0	155.0
Net payable/(receivable) on currency hedge contracts in respect of Capital Notes	**21.7**	14.4	7.3	**42.8**	25.9	12.1
	100.4	100.4	100.4	**197.8**	180.9	167.1

Details are set out in Note 13.

NOTE 11 PAYABLES - NON-CURRENT						
Other creditors and accruals	**53.8**	64.2	66.3	**106.0**	115.7	110.4
	53.8	64.2	66.3	**106.0**	115.7	110.4
NOTE 12 INTEREST-BEARING LIABILITIES: BORROWINGS - NON-CURRENT						
Bank loans - secured (refer (a) below)	**321.0**	233.0	350.0	**632.5**	420.0	582.8
Notes payable - secured (refer (a) below)	**1,729.4**	1,037.2	1,827.4	**3,407.9**	1,869.4	3,043.2
Notes payable - unsecured (refer (a) below)	**150.0**	150.0	–	**295.5**	270.4	–
	2,200.4	1,420.2	2,177.4	**4,335.9**	2,559.8	3,626.0

(a) Current unsecured bank bills payable and non-current secured bank loans represent amounts owing to banks at floating rates under facilities maturing in December 2001 and June 2002, respectively. Current and non-current secured and unsecured notes payable represent amounts owing to banks and insurance companies. These notes are secured by mortgages against the shopping centres, department stores and leases thereon, and other property investments, and are for terms expiring on various dates as set out in (c) below.

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
NOTE 12 INTEREST-BEARING LIABILITIES: BORROWINGS - NON-CURRENT (continued)						
(b) Details of secured current and non-current notes payable and bank loans in relation to each property are set out below:						
Independence Mall	**80.9**	55.2	37.5	**159.4**	99.4	62.4
Meriden	**98.1**	98.5	99.1	**193.4**	177.5	165.0
Mission Valley & Mission Valley - West	**75.0**	75.0	75.0	**147.8**	135.2	124.9
Montgomery Mall	**–**	157.4	158.1	**–**	283.7	263.2
North County	**70.3**	71.0	71.7	**138.5**	128.0	119.4
Santa Anita	**58.3**	59.4	60.5	**114.9**	107.1	100.8
Solano	**39.5**	40.0	40.6	**77.8**	72.1	67.6
South County	**56.6**	48.4	–	**111.9**	87.1	–
Topanga	**99.3**	100.6	101.9	**195.6**	181.4	169.8
Vancouver	**57.0**	57.0	–	**112.3**	102.7	–
West County	**8.0**	–	–	**15.7**	–	–
Department stores	**64.7**	66.2	67.7	**127.4**	119.3	112.8
Pools of wholly owned centres *	**1,466.6**	1,361.6	1,479.9	**2,890.0**	2,454.2	2,464.5
Total secured notes payable and bank loans (current and non-current)	**2,174.3**	2,190.3	2,192.0	**4,284.7**	3,947.7	3,650.4

* Pools of wholly owned centres - Fox Hills, Horton, Parkway Plaza, Capital Mall, Mid Rivers, Plaza Bonita, West Covina, West Park Mall, Oakridge, Northwest, Crestwood, Enfield, Annapolis, Eagle Rock, Downtown Plaza, Eastland, South Shore, Connecticut Post, Palm Desert, Promenade, Trumbull, Westland and Wheaton.

The carrying amount of the property investments in respect of secured borrowings are included in Notes 5 and 6.

(c) The maturity profiles in respect of current and non current bank bills, bank loans and notes payable are set out below:

Due within one year	**123.9**	946.4	23.1	**244.3**	1,705.8	38.6
Due between one and five years	**889.7**	676.5	1,518.1	**1,753.1**	1,219.4	2,528.1
Due after five years	**1,310.7**	743.7	659.3	**2,582.8**	1,340.4	1,097.9
	2,324.3	2,366.6	2,200.5	**4,580.2**	4,265.6	3,664.6

NOTE 13 INTEREST-BEARING LIABILITIES: CAPITAL NOTES - NON-CURRENT						
Capital Notes - unsecured, subordinated (refer below)	**78.7**	172.0	186.1	**155.0**	310.0	310.0
Net payable/(receivable) on currency hedge contracts in respect of Capital Notes	**21.7**	28.7	14.6	**42.8**	51.8	24.3
	100.4	200.7	200.7	**197.8**	361.8	334.3

Pursuant to the Prospectus dated 15 May 1998, 155 million unsecured subordinated Capital Notes were issued by WEA during 1998 for a cash consideration of $3.00 each. They have a face value of $3.00 each and carry a fixed coupon rate of 8.01% payable semi-annually on 30 June and 31 December each year. The principal sum of Capital Notes will be repayable in three equal instalments on 29 June 2001, 28 June 2002 and 30 June 2003.

NOTE 13 INTEREST-BEARING LIABILITIES: CAPITAL NOTES - NON-CURRENT (continued)

On each of those dates, concurrent with the repayment of the Capital Notes by WEA, WAT will receive the three instalments of $155 million each upon settlement of its fully underwritten Partly Paid Units ("PPUs") (refer Note 16).

On 29 June 2001, WEA repaid the first tranche of $155 million in respect of the Capital Notes and WAT received $155 million in respect of payment of the Series A PPUs.

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
NOTE 14 INTEREST-BEARING LIABILITIES: CONVERTIBLE REDEEMABLE PREFERENCE SHARES						
Convertible Redeemable Preference Shares	**175.0**	175.0	175.0	**344.8**	315.4	291.4

In August and December 1998, WEA issued US$175.0 million Cumulative Convertible Redeemable Preference Shares comprising US$50.0 million Series D, US$75.0 million Series C and US$50.0 million Series C-1 Cumulative Convertible Redeemable Preference Shares. In addition, US$186.0 million Cumulative Convertible Redeemable Preference shares issued by WEA to WAT have been eliminated on preparation of these consolidated Financial Statements.

Given their economic characteristics, the Responsible Entity considers these Preference Shares to be equity. However, they have been treated as debt in accordance with Australian Accounting Standard AASB 1033 - "Presentation and Disclosure of Financial Instruments" and other mandatory professional reporting requirements.

The Preference Shares were issued at a price of US$180.00 each and are not quoted on any stock exchange. Each Preference Share will convert into WEA Common Shares at any time at the option of the holder. Initially, each Preference Share will convert into ten WEA Common Shares (at an effective conversion price of US$18.00 per Common Share). This conversion ratio is subject to customary anti-dilution adjustments. Dividends on each Preference Share will be equal to the greater of 8.5% per annum or the dividend payable on the number of WEA Common Shares into which the Preference Share is then convertible. If WEA ceases to qualify to be taxed as a REIT, such dividends will be increased by a factor of 2.5.

The Preference Shares are redeemable at the option of WEA at 100% of face value at any time after 12 August 2008. In the usual course, at any time following 12 August 2008, if the market price of WEA Common Shares is at or below the conversion price (being US$18.00), each Preference Share will be redeemable at the option of the holder at 100% of face value (including all accrued but unpaid dividends) for cash or WEA Common Shares at the option of WEA. In certain very unusual circumstances, they are also redeemable at the option of the holder: (A) in circumstances where WEA ceases to be a REIT, at 115% of face value (including all accrued but unpaid dividends); and (B) in circumstances causing a change in control of WEA, at 105% of face value (including all accrued but unpaid dividends).

If WEA is wound up, each Preference Share will carry a right to participate in the capital of WEA in the amount of US$180.00, ranking ahead of the rights of the holders of WEA Common Shares but behind all creditors and holders of other equity securities in WEA (unless the terms of those equity securities provide otherwise). The Preference Shares carry no right to vote unless the vote relates to the rights of the Preference Shares.

As approved by Members at a meeting held 29 June 2001, on completion of the transaction outlined in Notes 2 and 32: (a) the Series C, C-1 and C-2 Convertible Preference Shares will be exchanged for an identical number of new preference shares on modified terms and certain of the Series D Convertible Preference Shares will have their terms amended to be substantially the same as those new preference shares (collectively "New Preference Shares"). On 29 June 2001 Members approved the issue of (b) 694,445 Series G and 277,778 Series G1 Special Options in WAT which will be issued to the holders of those Convertible Preference Shares

NOTE 14 INTEREST-BEARING LIABILITIES: CONVERTIBLE REDEEMABLE PREFERENCE SHARES (continued)

("Special Options"), which will enable them to exchange their securities in WEA for units in WAT. Under the terms of the Special Options, a Special Option may be exercised at any time after September 2003 or on such earlier date if certain specified events occur. If a Special Option is exercised the holder must deliver to the Responsible Entity a New Preference Share or the number of Common Shares into which the New Preference Share converts. When a Special Option is exercised, 231.0883 Ordinary Units in WAT will be issued. This conversion number will be appropriately adjusted if Common Shares are delivered instead of New Preference Shares. The Special Options will not be quoted on any stock exchange.

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
NOTE 15 INTEREST-BEARING LIABILITIES: REDEEMABLE CONVERTING PREFERENCE UNITS						
Redeemable Converting Preference Units	**50.8**	–	–	**100.0**	–	–

In April and May 2001, WAT issued 1,000,000 Redeemable Converting Preference Units ("RCP Units") at an application price of $100.00 per unit. Each RCP Unit has the right to receive distributions ahead of all other classes of units. Distributions on each RCP Unit will be equal to 9% per annum.

The Responsible Entity may redeem the RCP Units at any time up until 28 February 2003. If they are still outstanding, they will automatically convert into Ordinary Units. RCP Units may be redeemed at their application price, plus any accrued but unpaid distributions, at any time at the option of the Responsible Entity. The holders of RCP Units are not entitled to require the Responsible Entity to redeem their RCP Units.

Upon winding up of WAT, the RCP Units, in priority to all other classes of units, will receive on a pro rata basis any amounts available for distribution to Members, the following amounts (a) any unpaid distributions owing in respect of an RCP Unit; and (b) the aggregate amount of the application price of the RCP Units.

		US$ Million			A$ Million		
	Number of Units	**30 June 2001**	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
NOTE 16 ISSUED CAPITAL							
Ordinary Units on Issue							
Ordinary Units of $1.00 each							
Fully Paid							
Balance at beginning of the period	1,181,711,483	**975.4**	836.9	836.9	**1,342.7**	1,104.7	1,104.7
Placement - net of costs							
allotment date - 31 August 2000	–	**–**	85.3	–	**–**	148.5	–
allotment date - 30 March 2001	310,500,000	**231.7**	–	–	**440.3**	–	–
DRP units - net of costs							
allotment date - 28 February 2000	–	**–**	25.6	25.6	**–**	41.5	41.5
allotment date - 31 August 2000	–	**–**	27.6	–	**–**	48.0	–
allotment date - 28 February 2001	28,804,946	**23.1**	–	–	**43.8**	–	–
Conversion of PPUs - net of costs							
allotment date - 29 June 2001	107,844,754	**77.7**	–	–	**149.3**	–	–
Balance at end of the period	1,628,861,183	**1,307.9**	975.4	862.5	**1,976.1**	1,342.7	1,146.2

NOTE 16 ISSUED CAPITAL (continued)

On 28 February 2001, 28,804,946 Ordinary Units were issued at $1.52 per unit fully paid pursuant to WAT's Distribution Reinvestment Plan ("DRP"). DRP units issued during the period rank for distribution from 1 March 2001. On 30 March 2001, a placement of 310,500,000 Ordinary Units was made at $1.45 per unit fully paid. These units rank for distribution from 1 April 2001. On 29 June 2001, 107,844,754 units were issued at $1.44 per unit fully paid as part of the Series A PPU conversion into Ordinary Units. These units rank for distribution from 1 July 2001.

		US$ Million			A$ Million		
	Number of Units	30 June 2001	31 Dec 2000	30 June 2000	30 June 2001	31 Dec 2000	30 June 2000
Paid Units on Issue							
Partly Paid Units of $50.20 each							
Partly Paid to $0.20 each							
Balance at beginning of the period	9,300,000	**1.2**	1.2	1.2	**1.8**	1.8	1.8
Conversion into Ordinary Units	(3,100,000)	**(0.4)**	–	–	**(0.6)**	–	–
Balance at end of the period	6,200,000	**0.8**	1.2	1.2	**1.2**	1.8	1.8

Options on Issue	**Number of Options**	
Special Options - Series F	52,500	convertible to 55,072,500 WAT fully paid $1.00 Units

Partly Paid Units - $466.86 million

The Series A PPUs were converted into Ordinary Units on 29 June 2001. Subject to payment of the final instalment of $50.00 for each of the series, the Series B and Series C PPUs will convert into Ordinary Units in WAT on 28 June 2002 and 30 June 2003 respectively at a 5% discount to the market price for Ordinary Units at that time. The funds raised on conversion, totalling $466.86 million, have been underwritten by UBS Warburg Australia Limited and will be used by WAT, pursuant to an agreement dated 29 May 1998, to subscribe for additional Common Shares in WEA. At a meeting of WAT on 29 June 2001, Members approved amendments to this agreement including the method of calculating the issue price of Common Shares in WEA. (See Related Party Note 32).

At any time up to two days prior to the due date for the final instalment on a series of PPUs, Westfield America Management Limited, the Responsible Entity, has the right to redeem that series by the payment of $2.64 per PPU or by the issue of Ordinary Units to the value of $2.64.

The PPUs have no distribution entitlement to the income of WAT. The Ordinary Units into which they convert following payment of the final instalment will rank for distribution from 1 July following each respective conversion date.

Prior to the payment of the final instalment, the PPUs have no voting entitlement at meetings of Members in WAT except where the Corporations Act 2001 (Cwlth) or the Listing Rules requires that PPUs carry an entitlement to vote.

The PPUs are quoted as stapled securities, with each stapled security consisting of one Series B and one Series C PPU. At 30 June 2001, there were 6,200,000 PPUs representing 3,100,000 stapled securities on issue which would have been convertible to 191,255,722 WAT $1.00 Ordinary Units as at 30 June 2001.

Special Options

Each Series F Special Option entitles the holder the right to subscribe for 1,049 fully paid $1.00 Ordinary Units in WAT in exchange for either US$1,000.00 ($1,970.44) or 1 Series F Preferred Share in WEA. The Series F Special Options are exercisable during the period commencing on 1 June 2007 and ending on 1 June 2020. At 30 June 2001, there were 52,500 Series F Special Options on issue which are convertible to 55,072,500 Ordinary Units in WAT.

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
NOTE 17 RESERVES						
Asset Revaluation Reserve	**97.4**	104.5	104.5	**155.4**	165.7	165.7
Asset Reallocation Reserve	**1.5**	1.5	(20.1)	**2.6**	2.6	(23.3)
Option Premium Reserve	**4.7**	4.7	4.7	**8.1**	8.1	8.1
Foreign Currency Translation Reserve	**–**	–	–	**655.6**	447.0	291.7
	103.6	110.7	89.1	**821.7**	623.4	442.2
Asset Revaluation Reserve						
Movement in Reserve						
Balance at beginning of the period	**104.5**	49.9	49.9	**165.7**	74.7	74.7
Increment on revaluation of property investments	**–**	54.6	54.6	**–**	91.0	91.0
Revaluation to fair value of attributable net assets upon the acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	**22.6**	–	–	**45.9**	–	–
Transfer from/(to) retained profits to reflect the appropriate ownership proportions upon the acquisition by WAT of additional interests in controlled entity from Outside Equity Interests	**(29.7)**	–	–	**(56.2)**	–	–
Balance at end of the period	**97.4**	104.5	104.5	**155.4**	165.7	165.7
Asset Reallocation Reserve						
Movement in Reserve						
Balance at beginning of the period	**1.5**	(26.4)	(26.4)	**2.6**	(33.7)	(33.7)
Reallocation of attributable net assets upon the acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	**–**	27.9	6.3	**–**	36.3	10.4
Balance at end of the period	**1.5**	1.5	(20.1)	**2.6**	2.6	(23.3)
Option Premium Reserve						
Movement in Reserve						
Balance at beginning of the period	**4.7**	–	–	**8.1**	–	–
Premium on issue of 52,500 Series F Special Options	**–**	4.7	4.7	**–**	8.1	8.1
Balance at end of the period	**4.7**	4.7	4.7	**8.1**	8.1	8.1
Foreign Currency Translation Reserve						
Movement in Reserve						
Balance at beginning of the period	**–**	–	–	**447.0**	170.0	170.0
Exchange differences arising on translation of the Financial Statements of overseas operations	**–**	–	–	**208.6**	277.0	121.7
Balance at end of the period	**–**	–	–	**655.6**	447.0	291.7

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
NOTE 18 RETAINING EARNINGS						
Retained earnings at beginning of the period	**33.9**	33.9	33.9	**52.9**	52.9	52.9
Net profit (loss) attributable to members of the Parent Entity	**55.4**	90.3	42.6	**91.6**	141.8	66.5
Distribution paid/payable	**(55.4)**	(90.3)	(42.6)	**(91.6)**	(141.8)	(66.5)
Transfer from/(to) Asset Revaluation Reserve to reflect the appropriate ownership proportions upon the acquisition by WAT of additional interests in controlled entity from Outside Equity Interests	**29.7**	–	–	**56.2**	–	–
Retained earnings at end of the period	**63.6**	33.9	33.9	**109.1**	52.9	52.9
NOTE 19 OUTSIDE EQUITY INTERESTS						
Analysis of Outside Equity Interests						
Interests in Westfield America, Inc.						
Share Capital (i)						
16,933,817 Common Shares (Dec 2000: 30,552,853)	**205.0**	433.9	440.0	**234.4**	542.1	552.7
– Series A Preference Shares (Dec 2000: Nil)	**–**	–	94.0	**–**	–	117.4
– Series B Preference Shares (Dec 2000: Nil)	**–**	–	26.0	**–**	–	33.6
3,075,420 Partnership Units (Dec 2000: 3,075,420) (ii)	**54.7**	54.7	54.7	**88.7**	88.7	88.7
52,483 Series F Partnership Preferred Units (Dec 2000: 52,483) (iii)	**52.4**	52.4	52.4	**91.6**	91.6	91.6
Asset Revaluation Reserve	**64.3**	106.1	106.1	**106.6**	168.4	168.4
Asset Reallocation Reserve	**(1.5)**	(1.5)	20.1	**(2.6)**	(2.6)	23.3
Option Premium Reserve	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Foreign Currency Translation Reserve	**–**	–	–	**257.3**	295.4	253.5
Retained Earnings	**85.6**	74.6	64.1	**131.5**	114.6	98.5
	460.5	720.2	857.4	**907.5**	1,298.2	1,427.7
Interest in Joint Venture Properties	**32.6**	31.8	31.4	**64.1**	57.3	52.4
	493.1	752.0	888.8	**971.6**	1,355.5	1,480.1

(i) Excluded from Outside Equity Interests are the Convertible Redeemable Preference Shares. Refer Note 14.

(ii) Under certain circumstances, investors in the Operating Partnership may exchange their 3,075,420 Partnership Units for cash or, at the discretion of WEA, an equivalent number of Common Shares in WEA.

(iii) The Series F Partnership Preferred Units were issued on commercial terms that are similar to WEA's Common Shares. The holders of the 52,483 Series F Partnership Preferred Units are entitled to an annual dividend per unit equivalent to the greater of US$85.00 ($158.05) or the annual dividend paid in respect of 51.49 Common Shares. The holder of each Partnership Preferred Unit is entitled to be paid US$1,000 ($1,970.44) upon liquidation. The Series F Partnership Preferred Units may be redeemed at the option of WEA at any time after 1 June 2020, upon payment of US$1,000 ($1,970.44) per Partnership Preferred Unit together with any accrued dividend.

NOTE 19 OUTSIDE EQUITY INTERESTS (continued)

After 1 June 2001, the holder will have the right to require WEA to redeem the Series F Partnership Preferred Units for cash. In this situation, however, WEA will have the right to issue an equivalent number of shares of Series F Cumulative Preferred Stock ("Series F Preferred Shares") instead of paying cash.

The Series F Preferred Shares will not carry any right to convert into Common Shares of WEA. The holders of Series F Preferred Shares are entitled to an annual dividend per share equivalent to the greater of US$85.00 ($158.05) or the annual dividend paid in respect of 51.49 Common Shares. The holder of each Series F Preferred Share is entitled to be paid US$1,000 ($1,970.44) upon liquidation. The Series F Preferred Share may be redeemed at the option of WEA at any time after 20 June 2020, upon payment of US$1,000 ($1,970.44) per Series F Preferred Share together with any accrued dividend.

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
Movements in Outside Equity Interests						
Balance at beginning of the period	**752.0**	790.8	790.8	**1,355.5**	1,210.1	1,210.1
Issue of Share Capital	**–**	52.5	52.5	**–**	91.8	91.8
Premium on Issue of Put Option	**–**	0.0	0.0	**–**	0.0	0.0
Increment on revaluation of property investments	**–**	56.8	56.8	**–**	94.6	94.6
Acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	**(270.7)**	(171.3)	(23.6)	**(369.5)**	(284.3)	(39.0)
Adjustment to Outside Equity Interests on consolidation of previously proportionately consolidated joint venture interests	**0.8**	6.8	6.4	**1.5**	12.4	10.7
Exchange differences arising on translation of the Financial Statements of overseas operations	**–**	–	–	**(32.8)**	205.7	102.8
Earnings After Withholding Tax Attributable to Outside Equity Interests	**29.4**	77.2	38.4	**56.2**	132.9	63.0
Dividends Paid and Payable to Outside Equity Interests	**(18.4)**	(60.8)	(32.5)	**(39.3)**	(107.7)	(53.9)
Balance at end of the period	**493.1**	752.0	888.8	**971.6**	1,355.5	1,480.1

NOTE 20 TOTAL EQUITY INTERESTS

Total equity interests at beginning of the period	**1,873.2**	1,686.3	1,686.3	**3,376.3**	2,580.5	2,580.5
Total changes in equity recognised in the Statement of Financial Performance	**78.0**	177.5	108.2	**346.1**	554.2	297.7
Transactions with owners as owners						
Contribution of equity (refer Note 16)	**332.1**	138.5	25.6	**632.8**	238.0	41.5
Distribution paid/payable	**(55.4)**	(90.3)	(42.6)	**(91.6)**	(141.8)	(66.5)
Total changes in Outside Equity Interests (refer Note 19)	**(258.9)**	(38.8)	98.0	**(383.9)**	145.4	270.0
Total equity interests at end of the period	**1,969.0**	1,873.2	1,875.5	**3,879.7**	3,376.3	3,123.2

NOTE 21 DETAILS OF EQUITY ACCOUNTED JOINT VENTURES

(a) Equity accounted property partnerships, trusts and companies:

Name*	Type of equity	Ownership interest	Net Assets US$ Million 30 June 2001	31 Dec 2000	30 June 2000	Net Assets A$ Million 30 June 2001	31 Dec 2000	30 June 2000
Garden State Plaza	partnership units	50.0%	201.8	202.1	198.2	397.6	364.3	330.1
Montgomery Mall	partnership units	50.0%	61.8	–	–	121.8	–	–
Plaza Camino Real	partnership units	40.0%	45.1	45.4	44.1	88.9	81.8	73.5
UTC	partnership units	50.0%	57.3	56.8	55.9	112.9	102.4	93.1
Valley Fair	partnership units	50.0%	99.8	98.2	96.4	196.7	177.0	160.4
Vancouver	partnership units	50.0%	–	–	31.4	–	–	52.2
West Valley	partnership units	42.5%	13.3	13.5	12.9	26.2	24.3	21.5
			479.1	416.0	438.9	944.1	749.8	730.8

* All equity accounted property partnerships, trusts and companies operate solely as retail property investors in the United States.

	US$ Million 30 June 2001	30 June 2000	A$ Million 30 June 2001	30 June 2000
(b) Details of the Group's aggregate share of joint ventures' net profit:				
Shopping centre rental and other income	**38.6**	22.1	**73.8**	35.5
Interest income	**0.1**	0.1	**0.3**	0.2
	38.7	22.2	**74.1**	35.7
Rates, taxes and other property outgoings	**9.9**	6.1	**18.9**	9.9
Interest and other borrowing costs	**10.0**	6.5	**19.2**	10.5
Other expenses	**0.1**	0.1	**0.1**	0.1
	20.0	12.7	**38.2**	20.5
Profit before tax	**18.7**	9.5	**35.9**	15.2
Taxation	**–**	–	**–**	–
Net profit	**18.7**	9.5	**35.9**	15.2

	US$ Million 30 June 2001	31 Dec 2000	30 June 2000	A$ Million 30 June 2001	31 Dec 2000	30 June 2000
(c) Details of the Group's aggregate share of joint ventures' assets and liabilities:						
Cash	**6.4**	5.2	6.2	**12.7**	9.4	10.3
Receivables	**2.7**	2.9	4.8	**5.3**	5.2	8.0
Property investments (refer Notes 6(a) & 6(b))	**845.6**	651.5	693.5	**1,666.2**	1,174.3	1,154.9
Construction in progress	**1.0**	41.3	31.2	**1.9**	74.4	52.0
Other assets	**6.1**	6.8	4.8	**12.1**	12.4	8.0
	861.8	707.7	740.5	**1,698.2**	1,275.7	1,233.2
Payables	**1.3**	1.0	1.5	**2.6**	1.8	2.5
Borrowings	**377.3**	285.4	292.6	**743.5**	514.5	487.3
Other liabilities	**4.1**	5.3	7.5	**8.0**	9.6	12.6
	382.7	291.7	301.6	**754.1**	525.9	502.4
Net assets	**479.1**	416.0	438.9	**944.1**	749.8	730.8

	US$ Million			A$ Million		
	30 June 2001	31 Dec 2000	30 June 2000	30 June 2001	31 Dec 2000	30 June 2000
NOTE 21 DETAILS OF EQUITY ACCOUNTED JOINT VENTURES (continued)						
(d) Details of the Group's carrying value of investments in joint ventures:						
Balance at beginning of the period	**416.0**	252.2	252.2	**749.8**	385.9	385.9
Net assets of joint ventures no longer equity accounted	**–**	(52.1)	(22.9)	**–**	(79.7)	(35.0)
Net assets of joint ventures previously consolidated	**56.9**	–	–	**109.6**	–	–
Share of foreign currency translation reserve	**–**	–	–	**72.8**	72.4	35.4
Additions/(disposals) during the period	**6.2**	205.7	199.4	**11.9**	354.2	327.5
Share of net profit for the period	**18.7**	27.6	9.5	**35.9**	45.5	15.2
Distributions paid during the period	**(18.7)**	(27.6)	(9.5)	**(35.9)**	(45.5)	(15.2)
Share of revaluation increment for the period	**–**	10.2	10.2	**–**	17.0	17.0
Carrying value of investments in joint ventures	**479.1**	416.0	438.9	**944.1**	749.8	730.8
(e) Details of the Group's aggregate share of joint ventures' reserves:						
Retained Earnings						
Balance at beginning of the period	**–**	–	–	**–**	–	–
Share of net profit for the period	**18.7**	27.6	9.5	**35.9**	45.5	15.2
Distributions paid during the period	**(18.7)**	(27.6)	(9.5)	**(35.9)**	(45.5)	(15.2)
Balance at end of the period	**–**	–	–	**–**	–	–
Asset Revaluation Reserve						
Balance at beginning of the period	**23.5**	13.3	13.3	**37.1**	20.1	20.1
Increment on revaluation of property investments	**–**	10.2	10.2	**–**	17.0	17.0
Balance at end of the period	**23.5**	23.5	23.5	**37.1**	37.1	37.1
Foreign Currency Translation Reserve						
Balance at beginning of the period	**–**	–	–	**117.0**	48.7	48.7
Net assets of joint ventures no longer equity accounted	**–**	–	–	**–**	(4.1)	(2.4)
Net assets of joint ventures previously consolidated	**–**	–	–	**(7.0)**	–	–
Exchange differences arising on translation of the Financial Statements of overseas joint ventures	**–**	–	–	**72.8**	72.4	35.4
Balance at end of the period	**–**	–	–	**182.8**	117.0	81.7

(f) The Group's share of contingent liabilities and capital expenditure commitments, in respect of equity accounted joint ventures are, where applicable, included in Notes 27 and 29 respectively.

	US$ Million		A$ Million	
	30 June 2001	30 June 2000	30 June 2001	30 June 2000
NOTE 22 RATES, TAXES AND OTHER PROPERTY OUTGOINGS				
Rates, Taxes and Other Property Outgoings of the Economic Entity include the following charges/(credits):				
Property Maintenance and Repairs expenses	**12.5**	11.8	**23.8**	18.9
Amortisation of deferred costs	**5.7**	4.4	**11.0**	7.1
Real Estate Management Fees paid and payable to the Responsible Entity or its Associates	**12.5**	9.9	**24.0**	15.8
Expense Reimbursement to the Responsible Entity or its Associates	**13.9**	12.9	**26.5**	20.7
Included in the above amounts are Real Estate Management Fees and Reimbursible Expenses payable	**1.7**	1.7	**3.3**	2.8
NOTE 23 INTEREST AND OTHER BORROWING COSTS				
Interest costs	**106.1**	98.2	**203.0**	158.5
Other borrowing costs	**3.4**	2.8	**6.3**	4.5
Less: amounts capitalised	**(5.2)**	(1.5)	**(9.7)**	(2.5)
Interest and other borrowing costs expensed	**104.3**	99.5	**199.6**	160.5

NOTE 24 AUDITORS' REMUNERATION					
Amounts paid or due and payable to Auditors (Ernst & Young) of the Parent Entity:	- for audit services	**0.051**	0.034	**0.098**	0.053
	- for other services	**0.006**	0.001	**0.010**	0.002
Amounts paid or due and payable to Affiliates of the Auditors (Ernst & Young) of the Parent Entity:	- for audit services	**0.291**	0.291	**0.556**	0.468
	- for other services	**0.072**	0.057	**0.140**	0.091
		0.420	0.383	**0.804**	0.614

In addition to the above, fees amounting to US$0.173 million ($0.340 million) were paid or were payable by the Group during the financial period to the Auditors and affiliates of the Auditors (Ernst & Young) of the Parent Entity for professional services in connection with the WEA tender offer and merger.

NOTE 25 EARNINGS AND DISTRIBUTION PER UNIT

Basic Earnings Per Unit is calculated by dividing the current period's Earnings from Ordinary Activities after Withholding Tax attributable to WAT by the weighted average number of Ordinary Units on issue during the period. The Basic Earnings Per Unit for the period ended 30 June 2001 is A 6.75 cents equivalent to US 4.08 cents. The Distribution Per Unit for the period ended 30 June 2001 is A 6.75 cents equivalent to US 4.08 cents.

The weighted average number of Ordinary Units for the financial period was 1,357,234,706 Units on an entitlement basis (June 2000: 1,041,510,633 Units).

Diluted Earnings Per Unit is calculated by dividing the current period's Earnings from Ordinary Activities after Withholding Tax attributable to WAT as adjusted for earnings arising from proceeds on issue of potential Ordinary Units by the weighted average number of Ordinary and potential Ordinary Units outstanding during the current financial period. Potential Ordinary Units include unexpired Special Options and PPUs convertible to Ordinary Units. At 30 June 2001, there were 55,072,500 potential Ordinary Units with respect to unexpired Special Options, of which none were considered to be materially dilutive and 191,255,722 potential Ordinary Units with respect to PPUs, all of which were considered to be materially dilutive. The diluted A$ Earnings Per Unit for the period ended 30 June 2001 is 6.68 cents. There is no dilution to A$ Earnings Per Unit for the period ended 30 June 2000.

	30 June 2001 A$	31 Dec 2000 A$	30 June 2000 A$
NOTE 26 NET ASSET BACKING PER UNIT			
Net Asset Backing Per Unit	**1.79**	1.71	1.56

Net asset backing per unit is calculated by dividing the Equity Attributable to Members of WAT by the number of Ordinary Units on issue at the end of the financial period.

NOTE 27 CONTINGENT LIABILITIES

The Economic Entity leases the land underlying portions of several of its centres. Future minimum annual lease payments for leases in effect as at 30 June 2001 are US$2.8 million ($5.5 million) (December 2000 US$1.4 million ($2.5 million) and June 2000 US$1.4 million ($2.3 million)) per annum for the next five years and US$73.6 million ($144.9 million) (December 2000 US$37.9 million ($68.4 million) and 30 June 2000 US$38.6 million ($64.3 million)) for periods thereafter.

The Redevelopment Agency of the City of West Covina ("Agency") issued US$51.2 million ($100.9 million) (December 2000 US$51.2 million ($92.3 million) and June 2000 US$51.2 million ($77.6 million)) of special tax assessment municipal bonds ("Bonds") to finance land acquisition for expansion of the shopping centre and additional site improvements. Special taxes levied against the property, together with incremental property tax, incremental sales tax, and park and ride revenues will be used to pay the principal and interest on the Bonds and the administrative expense of the Agency. Principal and interest payments will continue to 2022 in graduating amounts ranging from US$3.5 million ($6.9 million) (December 2000 US$3.5 million ($5.8 million) and June 2000 US$2.0 million ($3.3 million)) to US$5.3 million ($10.4 million) (December 2000 US$5.3 million ($8.7 million) and June 2000 US$5.3 million ($8.5 million)). The Economic Entity has the contingent obligation to satisfy any shortfall in annual debt service after tenant recoveries.

WEA and the Operating Partnership are guarantors under a construction loan with an outstanding balance of US$61.2 million ($120.6 million) at 30 June 2001 entered into by Valley Fair Mall LLC, an equity accounted joint venture, and are subject to certain restrictive covenants relating to the maintenance of specific performance ratios such as minimum net worth, debt service coverage ratio, and debt to equity ratio. As at 30 June 2001, WEA was in compliance with these covenants.

The Economic Entity also has contingent liabilities, estimated at US$47.5 million ($93.6 million) (December 2000 US$23.6 million ($42.6 million) and June 2000 US$30.3 million ($50.5 million)), arising from obligations in respect of the performance of works pursuant to lease, construction and development commitments.

The Economic Entity is involved in several lawsuits in the normal course of business. However, management believes that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Economic Entity.

As a result of the tender offer referred to in Note 2, WEA, its directors, WAT and Westfield Holdings Limited have been named as defendants in substantially similar class action lawsuits. The plaintiffs in these cases purport to represent a class of minority shareholders whose stock in WEA was purchased for US$16.25 in cash per share in connection with the offer. While the allegations contained in each complaint are not identical, the complaints generally assert that the US$16.25 per share price is inadequate. The parties have recently reached a proposed settlement that, if approved in court, will result in the global resolution of all actions filed as a result of the offer. The settlement will not have a material adverse financial impact on the Group.

NOTE 28 LEASES

Property rental

Substantially all of the property owned by the Group is leased to third-party retailers under operating leases as at 30 June 2001. Lease terms vary between retailers and some leases include percentage rental payments based on sales volume.

Future minimum rental revenues receivable under non-cancellable operating leases as at 30 June 2001 are as follows:

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
Due within one year	**306.9**	311.8	300.9	**604.7**	562.1	501.0
Due between one year and five years	**954.1**	989.8	971.2	**1,880.0**	1,784.0	1,617.4
Thereafter	**738.3**	814.6	802.8	**1,454.8**	1,468.3	1,336.9

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

NOTE 29 CAPITAL EXPENDITURE COMMITMENTS

Expenditure of the Economic Entity contracted but not provided for:						
Due within one year	**164.9**	226.9	289.0	**325.0**	409.0	481.3
Thereafter	**94.5**	95.9	123.0	**186.1**	172.8	204.8
	259.4	322.8	412.0	**511.1**	581.8	686.1

The above capital expenditure is committed to redevelop and expand investment properties owned by the Economic Entity.

In July 2001, WEA completed an agreement which was announced in April 2001 to acquire a long-term lease for the retail component of the World Trade Center in New York for 99 years. The fair value of the building is estimated at US$211.2 million, and the present value of ground lease rentals over the maximum term of the lease is estimated at US$195.0 million.

NOTE 30 UNHEDGED FOREIGN CURRENCY ITEMS

The net assets of the Economic Entity are not hedged except for $310.0 million of Australian Dollar denominated liabilities in relation to the Capital Notes which are subject to currency hedge contracts equivalent to US$200.8 million.

NOTE 31 DERIVATIVE FINANCIAL INSTRUMENTS

Interest rates

Interest rates for and principal amounts of fixed rate borrowings and derivative financial instruments for the hedging of interest rate exposures on a proportion of the Economic Entity's extant and anticipated future United States Dollar denominated borrowings:

Fixed rate position as at	Average rate including margins	US$ Million principal amount
30 June 2001	7.29%	2,665.0
30 June 2002	7.46%	3,036.0
30 June 2003	7.51%	3,076.0
30 June 2004	7.46%	3,064.0
30 June 2005	7.27%	2,872.0
30 June 2006	7.24%	2,605.0
30 June 2007	7.32%	2,163.0
30 June 2008	7.28%	1,555.0

At 30 June 2001, the fair value compared to book value of the above fixed rate borrowings and hedging arrangements amounted to a deficit of US$51.5 million (A$101.5 million).

In addition to the above, the Economic Entity has also issued US$175.0 million Convertible Redeemable Preference Shares with a coupon rate equal to the greater of 8.5% per annum or the dividend payable on the number of WEA Common Shares into which the Preference Shares are then convertible. The terms and conditions in respect of these Preference Shares are set out in Note 14.

When, as a consequence of a change in circumstances, derivative financial instruments which were previously considered as hedges cease to qualify as such, changes in the net market value of such instruments are recognised as revenues and expenses in the period in which they arise and accruals are made for gains and losses. In prior periods, the Economic Entity had certain surplus fixed rate payable swaps where exposures had been fixed by reverse swaps and the amounts thus determined were fully provided for in the accounts. At 30 June 2001, the provision in the accounts is US$7.0 million.

Exchange rates

	Weighted average forward exchange rate	To pay US$ Million	To receive A$ Million
Forward Exchange Contracts extant at 30 June 2001 in respect of the period ending 31 December:			
2001	0.6056	105.5	174.2
2002	0.6018	142.1	236.1
2003	0.6079	132.7	218.3
2004	0.5994	116.0	193.5
2005	0.5263	72.6	137.9

The Parent Entity has entered into currency hedges in respect of a proportion of its US$ dividends and distributions receivable from its controlled entities. These hedges are not recognised on the financial statements until the underlying transactions are recorded.

The average forward exchange rate at 30 June 2001 for contracts with similar maturity profiles was A$1.00 = US$0.4983 (A$1.00 = US$0.6078 at 30 June 2000).

	US$ Million principal amount	A$ Million principal amount
Cross-currency swap to pay United States dollars and receive Australian dollars	(200.8)	310.0

NOTE 31 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The cross-currency swap contract hedges the currency risk in relation to interest and capital repayments associated with the issue of Capital Notes to Australian investors which are denominated in Australian Dollars. Exchange gains and losses on the above hedge contract are recognised on the Statement of Financial Position in conjunction with the underlying liabilities to which the hedges relate. The exchange rate in relation to the above contracts is A$1.00 = US$0.6475. The exchange rate at 30 June 2001 for a contract with a similar maturity profile was A$1.00 = US$0.5075.

In addition to the above, the Parent Entity has entered into a contract to hedge the balance of the purchase price in respect of the tender offer transaction as referred to in Notes 2 and 32. At 30 June 2001, under this contract, the Parent Entity will pay A$87.6 million in respect of its obligation to pay US$46.0 million.

Credit Risk

In accordance with the policies determined by the Board of the Responsible Entity, credit risk is spread among a number of financial institutions. The Economic Entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. Credit risks in relation to unrecognised financial assets arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. As at 30 June 2001 the Economic Entity's total credit risk exposure in respect thereof was A$nil (US$nil) (A$nil (US$nil) at 31 December 2000 and A$91.7 million (US$55.0 million) at 30 June 2000).

NOTE 32 RELATED PARTY TRANSACTIONS

Related party transactions that occurred during the financial period are set out below unless already disclosed elsewhere in these Financial Statements. The transactions referred to in (i) to (iv) below were outlined in the notices of the meetings of WAT held on 27 March 2001 and 29 June 2001.

(i) Acquisition of publicly held Common Shares in Westfield America, Inc.

On 15 February 2001, the Responsible Entity and WEA entered into an agreement and plan of merger ('Merger Agreement') relating to the acquisition by the Responsible Entity of all the outstanding Common Shares in WEA (excluding Common Shares owned by two subsidiaries of Westfield Holdings Limited ('WHL Group')) and the Trust for US$16.25 Cash per Common Share ('Offer').

Pursuant to terms of the Merger Agreement, a meeting of the Common Shareholders of WEA will be called to seek approval for the implementation of a merger between WEA and a new subsidiary of WAT ('Merger'), with WEA as the surviving corporation.

On completion of the Merger, all outstanding Common Shares of WEA (other than those owned by the WHL Group and the Trust) will be cancelled and converted automatically to the right to receive US$16.25 per share in cash.

(ii) Co-operation Agreement

On 15 February 2001, the Responsible Entity and Westfield Holdings Limited ('WHL') entered into an agreement ('Co-operation Agreement') pursuant to which WHL agreed that it would prevent its subsidiaries that held shares in WEA from participating in the Offer (Westfield American Investments Pty Limited ('WAIPL') and Westfield Corporation, Inc. ('WCI')). WHL also agreed to cause its subsidiaries to vote any units in WAT held by them in favour of the resolutions that were put to meetings of the members of WAT for the purpose of seeking approvals required in connection with the Offer, the Merger and associated transactions.

WAIPL holds 277,778 Series D Preferred Shares and 11,805,862 Common Shares in WEA. WCI holds 2,264,210 Common Shares in WEA.

Amendment to Series D Preferred Shares

Under the Co-operation Agreement, the Responsible Entity agreed that, following completion of the Merger, it will cause WEA to amend the terms of the Series D Preferred Shares held by WAIPL ('WAIPL Preferred Shares') such that:

(a) The holders of the WAIPL Preferred Shares will be entitled to receive an annual dividend equal to the greater of (i) 9.3% of the liquidation value of the preferred shares, increasing at 1.5% per annum in 2002 and at

NOTE 32 RELATED PARTY TRANSACTIONS (continued)

3% per annum thereafter (as compared to the current fixed dividend rate of 8.5% per annum on the Series D Preferred Shares) and (ii) the U.S. dollar equivalent of the distribution on the number of Ordinary Units in WAT into which the WAIPL Preferred Shares are then exchangeable.

(b) Each WAIPL Preferred Share is convertible into 10 Common Shares of WEA. On conversion, the holders of Common Shares will be entitled to the same rights as the holders of the Common Stock of WEA.

(c) Dividends in WEA are payable quarterly. If WEA's or WAT's earnings (before interest and tax) falls below 140% of consolidated fixed charges for any applicable quarter ('Fixed Charge Coverage Violation'), the holder of a WAIPL Preferred Share will, for the period being twice the number of quarters to which the Fixed Charge Coverage Violation relates, be entitled to receive a dividend equal to 150% of the dividend that would normally have been payable in respect of the quarter in which the Fixed Charge Coverage Violation occurred.

On 31 August 2002, if the Merger has occurred, WAIPL will have the right to require WEA to redeem a number of WAIPL Preferred Shares or Common Shares into which a WAIPL Preferred Share converts, or a combination thereof, for cash up to US$10,004,000 ('Cash-Out Right').

Commencing in 2004 and each year thereafter, WAIPL will have the right to require WEA to redeem up to US$10,004,000 of WAIPL Preferred Shares or Common Shares into which a WAIPL Preferred Share converts, or a combination thereof (less, in the case of 2004, the amount with respect to which a Cash-Out Right had been exercised) (each, a 'Put Right'). If WAIPL exercises a Put Right, WEA may elect to redeem the shares subject to that Put Right for cash or such number of units in WAT, the sale of which is sufficient to raise net proceeds for WAIPL equal to the liquidation preference of the WAIPL Preferred Shares and/or the WAIPL Preferred Shares that have been converted into Common Shares, whichever are subject to the Put Right.

The maximum aggregate amount which may be redeemed pursuant to the exercise of the Cash-Out Right and the Put Rights is US$50,000,040.

Series G1 and Series H Special Options in the Trust

Following the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001, WEA will, in consideration of payment of US$171,051, receive 277,778 Series G1 Special Options in WAT which will be transferred to WAIPL. A total of 14,070,072 Series H Special Options in WAT will be issued, of which 11,805,862 will be issued to WAIPL and 2,264,210 to WCI. In consideration of the issue of the Series H Special Options, WAIPL will pay US$83,908 and WCI US$16,092 to WAT.

A Series G1 Special Option may be exercised at any time after September 2003 or on such earlier date if certain specified events occur. A Series G1 Special Option may be exercised by the holder delivering to the Responsible Entity a WAIPL Preferred Share or the number of WEA Common Shares into which a WAIPL Preferred Share has been converted.

If a Series G1 Special Option is exercised, 231.0883 Ordinary Units in WAT will be issued to the holder of the Series G1 Special Option. The ratio will be appropriately adjusted where, instead of delivering a WAIPL Preferred Share, the holder delivers the number of WEA Common Shares into which the same have been converted.

A Series H Special Option may be exercised by the holder delivering to the Responsible Entity a WEA Common Share. If a Series H Special Option is exercised, 20.3271 Ordinary Units in WAT will be issued to the holder of the Series H Special Option.

A holder of a Series G1 or Series H Special Option may not sell a Special Option unless it first notifies the Responsible Entity of its intention to do so and allows the Responsible Entity five business days to make an offer for the purchase thereof. If the holder of a Series G1 or Series H Special Option rejects the offer made by the Responsible Entity, for a period of 90 days after such five business day period has elapsed, it may not sell the Special Option (other than pursuant to an underwritten public offering) at a price less than 90% of the price offered by the Responsible Entity.

Each Series G1 and Series H Special Option is transferable but must be exercised (i) as part of the parcel entitling the holder to the issue of units which have a value greater than the amount which would require a disclosure document to be given to the holder in accordance with section 708(8) of the Corporations Act 2001 (Cwlth); and (ii) where applicable, pursuant to a US Securities Act exemption.

NOTE 32 RELATED PARTY TRANSACTIONS (continued)

Units issued in WAT as a consequence of the exercise of the Series G1 or Series H Special Options will (i) rank for distributions of income in WAT from the date following the last day of the most recently completed dividend period for a WAIPL Preferred Share or Common Share transferred (as the case may be); (ii) if allotted during an accrual period, participate in the distributable income of WAT in respect of that accrual period in the proportion that the part of the accrual period (calculated in days) for which the units rank for distribution bears to the total number of days in that accrual period. In all other respects the units to be allotted as a consequence of the exercise of the Series G1 or Series H Special Option will have the same rights as all other fully paid Ordinary Units on issue in WAT.

The Series G1 and Series H Special Options will not be quoted on any stock exchange.

Series A and Series B Preferred Shares

WAT holds 940,000 Series A Preferred Shares ('Series A Preferred Shares') and 270,000 Series B Preferred Shares ('Series B Preferred Shares') in WEA. The current terms of the Series A Preferred Shares and Series B Preferred Shares do not permit the conversion of these preferred shares into Common Shares of WEA. On closing of the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001, the terms of the Series A Preferred Shares and Series B Preferred Shares will be amended to provide that they will be convertible into Common Shares with terms substantially the same as those of the existing Common Shares of WEA. The Series A Preferred Shares and Series B Preferred Shares will be subordinated to the WAIPL Preferred Shares.

WAT also holds 416,667 Series D Preferred Shares, 138,889 Series D - 1 Preferred Shares and 477,778 Series E Preferred Shares in WEA. With respect to these preferred shares, following the Merger and in accordance with approval obtained from members at a meeting of WAT held on 29 June 2001 the Series D Preferred Shares will be converted into Common Shares and the terms of the Series D - 1 Preferred Shares and Series E Preferred Shares will be amended to be substantially the same as Common Shares of WEA (to be known as 'Junior Preferred Shares').

The Junior Preferred Shares will not have preferential rights with respect to dividends. Each Junior Preferred Share will be entitled to dividends equivalent to the amount declared with respect to ten shares of Common Stock of WEA. The Junior Preferred Share will not have a liquidation preference. Upon liquidation, dissolution or winding up of WEA, each Junior Preferred Share will be entitled to receive that portion of the assets of WEA distributable to ten shares of Common Stock, legally available for distribution, after payment of all debts, other liabilities and any liquidation preference of preferred shares will vote with the Common Shares on all matters requiring the vote of the Common Shares and otherwise as required by law. Each Junior Preferred Share will be entitled to ten votes. The Junior Preferred Shares will not be redeemable by WEA.

As approved by members at the meeting held on 29 June 2001, the Responsible Entity has agreed to reimburse a US based institutional investor, that also holds preferred shares in WEA, WAIPL and WCI for their reasonable internal and external costs and expenses incurred in connection with the Offer and Merger and to indemnify them for any losses or liabilities (including certain tax liabilities) arising out of those transactions.

The Responsible Entity will also guarantee the obligations of and amounts owing by Westfield America Limited Partnership to that US based institutional investor under certain circumstances.

Non-compete arrangements

Under the Co-operation Agreement, the Responsible Entity and WHL agreed to amend existing non-compete arrangements between the WHL Group and WEA. Under the existing arrangements, for so long as WHL or any of its subsidiaries is the advisor to WEA or the manager of its shopping centres, the WHL Group may not acquire, directly or indirectly any ownership interest in shopping centres or power centres in the United States ('Competitive Business'), or any entity which has an ownership interest in a Competitive Business, except in a number of limited situations. In accordance with approval obtained from members on 29 June 2001, the non-compete arrangements will be modified so that if an opportunity to acquire a Competitive Business arises which would be subject to the existing restrictions, the WHL Group will be obliged to present the opportunity to the Board of Directors of WEA. If for any reason a majority of the independent directors of the Board of Directors of WEA (or, if the Board of Directors of WEA does not have independent directors, a majority of the external

NOTE 32 RELATED PARTY TRANSACTIONS (continued)

directors of the Board of Directors of the Responsible Entity) elects not to pursue that opportunity, the WHL Group will be permitted to attempt to acquire the Competitive Business. However, the WHL Group will not be permitted under any circumstances to own a regional shopping centre which directly competes with any regional shopping centre then owned by WEA and which is in that shopping centre's primary market area, unless the competing centre is part of a portfolio of properties in which the WHL Group acquires an interest.

(iii) Development and advisory agreements

WCI and Westfield US Advisory L.P. ('Advisor') provide management, advisory and development services to WEA. Under the terms of the agreements governing the provision of those services, certain matters including the termination of the agreements are required to be approved by the Responsible Entity and 75% of the independent directors of WEA. To accommodate possible changes to the board of WEA and in accordance with the approval obtained from members at a meeting held on 29 June 2001, after the Merger the agreements will be amended to provide that where WEA does not have independent directors any determination previously required to be made by such directors must be made by the Responsible Entity and 75% of the external directors of the Responsible Entity.

(iv) Stock Subscription Agreement

At the meeting held on 29 June 2001, members also approved an amendment to the stock subscription agreement dated 29 May 1998 between WEA and the Responsible Entity. Under that agreement, the issue price for the new Common Shares to be acquired by WAT is based on the market price for WEA Common Shares as traded on the New York Stock Exchange ('NYSE') less a discount of 5%. After the Merger, WEA will cease to be listed on the NYSE. Accordingly, the method of calculating the issue price for the new Common Shares will be modified (as the benchmark set by the NYSE will no longer be available).

On an ongoing basis further investments by WAT in WEA, including under the stock subscription agreement, may be made at a subscription price that is benchmarked to the price at which WAT's Ordinary Units are traded on the ASX and in accordance with a methodology to ensure that relativity is maintained between the number of units on issue (or taken to be issued) in WAT and the number of WEA Common Shares held (or taken to be held) by WAT.

(v) Other

(a) Property management fees amounting to US$12.524 million ($23.951 million) (US$9.864 million ($15.832 million) for the period ended 30 June 2000) were payable by the Economic Entity under normal commercial terms and conditions to the WHL Group in respect of the current financial period.

(b) During the financial period, the Economic Entity paid, under normal commercial terms and conditions, US$99.670 million ($196.394 million) (US$34.820 million ($57.984 million) for the period ended 30 June 2000) to the WHL Group in respect of expansion and redevelopment costs.

(c) During the financial period, the Economic Entity received interest amounting to US$nil million ($nil million) (US$6.646 million ($10.666 million) for the period ended 30 June 2000) in respect of a participating loan to WHL Group entities.

(d) Advisory and Responsible Entity's Service Fees

	US$ Million		A$ Million	
	30 June 2001	**30 June 2000**	**30 June 2001**	**30 June 2000**
Advisory Fee paid or due and payable to Associates of the Responsible Entity	**4.636**	5.408	**8.867**	8.731
Responsible Entity's Service Fee paid or due and payable to the Responsible Entity	**–**	–	**–**	–

WEA has engaged Westfield U.S. Advisory L.P. ("Advisor") to provide information, advice and assistance to WEA and to undertake certain duties and responsibilities on behalf of, and subject to, the supervision of WEA. The Advisor will be paid an annual Advisory Fee equal to the lesser of 0.55% of the net equity value of WEA or, 25%

NOTE 32 RELATED PARTY TRANSACTIONS (continued)

of the annual Funds From Operations of WEA in excess of a base amount of Funds From Operations as adjusted from time to time to reflect new issues of Common Shares. The term "Funds From Operations" means net income/(loss) (computed in accordance with generally accepted accounting principles in the United States) ("GAAP") excluding gains (or losses) from debt restructuring and sales of property, plus real estate related depreciation and amortisation and after adjustments for consolidated partnerships and joint ventures.

Under the Constitution of WAT, the Responsible Entity is entitled to annual fee of 0.55% of the net asset value of WAT. In addition, the Responsible Entity has agreed that this fee payable by WAT will be reduced by an amount equivalent to the proportion of the Advisory Fee paid by WEA to the Advisor which is attributable to WAT's ownership interest in WEA.

The Responsible Entity and the Advisor agreed at the time of the listing of WAT to forgo the entitlement to their Fees for the period from 28 March 1996, the inception of WAT, to 31 December 1997. In addition, the Responsible Entity has agreed to forgo its entitlement to the Service Fee being the amount in excess of the Trust's ownership interest proportion of the Advisory Fee paid by WEA to the Advisor, for the period ended 30 June 2001.

(e) WEA Directors' Remuneration

R L Furman earned directors' fees of US$47,389 ($90,627), H Huizinga and F T Vincent Jr each earned directors' fees of US$37,389 ($71,503), B Marcus earned directors' fees of US$20,000 ($38,248) and L A Silverstein earned directors' fees of US$17,389 ($33,255) in respect of the period ended 30 June 2001 (F G Hilmer, R L Furman, H Huizinga, B Marcus, L A Silverstein and F T Vincent Jr each received directors' fees of US$10,000 ($16,049) and WEA Common Stock at a market value of US$10,000 ($16,049) and G Weissman received directors' fees of US$5,000 ($8,024) in respect of the period ended 30 June 2000). The executive directors of WEA, F P Lowy, D H Lowy, P S Lowy, S M Lowy and R E Green received no directors' fees in respect of the periods ended 30 June 2001 and 2000.

Other than as stated above, the Directors of WEA did not receive any remuneration from WAT or its controlled entities.

The aggregate number of WEA Common Stock held directly by Directors of WEA at balance date was 2,396 (151,974 at 30 June 2000).

NOTE 33 FINANCIAL REPORTING BY SEGMENTS

The Economic Entity operates solely as a retail property investor in the United States.

NOTE 34 DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURES

Name of entity	Notes	30 June 2001 Interest Beneficial* %	30 June 2001 Interest Consolidated %	30 June 2000 Interest Beneficial* %	30 June 2000 Interest Consolidated %
Parent Entity					
Westfield America Trust	a d	100.00	100.00	100.00	100.00
Consolidated Controlled Entities					
Westfield America, Inc.	b d e	75.33	100.00	49.31	100.00
Westfield America G.P., Inc.	b d e	75.33	100.00	49.31	100.00
Westfield America GP LLC	b d e	75.33	100.00	49.31	100.00
Westfield America M.S., Inc.	b d e	75.33	100.00	49.31	100.00
Westfield America of Meriden Square, Inc.	b d e	75.33	100.00	49.31	100.00
Westfield America of Annapolis, Inc.	b d e	75.33	100.00	49.31	100.00
Westfield America of Bonita, Inc.	b d e	75.33	100.00	49.31	100.00
Westfield America of Missouri, Inc.	b d e	75.33	100.00	49.31	100.00
Westfield America of Vancouver, Inc.	b d e	75.33	100.00	49.31	100.00
Westfield America of West Covina, Inc.	b d e	75.33	100.00	49.31	100.00
Westfield America - Wheaton, Inc.	b d e	75.33	100.00	49.31	100.00
WEA Crestwood Plaza LLC	b d e	75.33	100.00	49.31	100.00
WEA CT Houses LLC	b d e	75.33	100.00	49.31	100.00
WEA Meriden Square LLC	b d e	75.33	100.00	49.31	100.00
WEA Meriden Square No.2 LLC	b d e	75.33	100.00	49.31	100.00
WEA Meriden Square No.3 LLC	b d e	75.33	100.00	49.31	100.00
WEA Meriden Square, Inc.	b d e	75.33	100.00	49.31	100.00
WEA North County Fair LLC	b d e	–	–	49.31	100.00
WEA NY Houses LLC	b d e	75.33	100.00	49.31	100.00
WEA Palm Desert LLC	b d e	–	–	49.31	100.00
WEA Services, Inc	b d e	75.33	100.00	–	–
WEA Valley Fair LLC	b d e	–	–	49.31	100.00
WEA Valley Fair UTC LLC	b d e	75.33	100.00	49.31	100.00
Annapolis Land LLC	b d e	75.33	100.00	49.31	100.00
Annapolis Mall LLC	b d e	75.33	100.00	49.31	100.00
Annapolis Manager LLC	b d e	75.33	100.00	49.31	100.00
Annapolis Shoppingtown LLC	b d e	75.33	100.00	49.31	100.00
Capital Mall Company	b d e	75.33	100.00	49.31	100.00
Capital Mall Land LLC	b d e	75.33	100.00	49.31	100.00
Capital Shopping Centre, Inc.	b d e	75.33	100.00	49.31	100.00
Capital Shopping Centre LLC	b d e	75.33	100.00	49.31	100.00
CMF, Inc.	b d e	75.33	100.00	49.31	100.00
Connecticut Post Mall LLC	b d e	75.33	100.00	49.31	100.00
Connecticut Post Mall No.2 LLC	b d e	75.33	100.00	49.31	100.00
Crestwood Plaza, Inc.	b d e	75.33	100.00	49.31	100.00
Downtown Plaza LLC	b d e	75.33	100.00	49.31	100.00
Eagle Rock Manager LLC	b d e	75.33	100.00	49.31	100.00
Eagle Rock Plaza LLC	b d e	75.33	100.00	49.31	100.00
Eagle Rock Properties, Inc.	b d e	75.33	100.00	49.31	100.00
Eastland Manager LLC	b d e	75.33	100.00	49.31	100.00
Eastland Shopping Centre LLC	b d e	75.33	100.00	49.31	100.00
Enfield Land LLC	b d e	75.33	100.00	–	–
Enfield Square, Inc.	b d e	75.33	100.00	49.31	100.00
Enfield Square LLC	b d e	75.33	100.00	49.31	100.00
Fox Hills Mall, Inc.	b d e	75.33	100.00	49.31	100.00
Fox Hills Mall, LLC	b d e	–	–	49.31	100.00
FH Financing LLC	b d e	75.33	100.00	49.31	100.00
Horton Plaza, Inc.	b d e	75.33	100.00	49.31	100.00
Horton Plaza LLC	b d e	–	–	49.31	100.00
Horton Land LLC	b d e	75.33	100.00	49.31	100.00

NOTE 34 DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURES (cont)

Name of entity	Notes	30 June 2001 Interest Beneficial* %	30 June 2001 Interest Consolidated %	30 June 2000 Interest Beneficial* %	30 June 2000 Interest Consolidated %
Meriden Square #1 LLC	b d e	75.33	100.00	49.31	100.00
Meriden Square #2 LLC	b d e	75.33	100.00	49.31	100.00
Meriden Square #3 LLC	b d e	75.33	100.00	–	–
Mid Rivers, Inc.	b d e	75.33	100.00	49.31	100.00
Mid Rivers Land, Inc	b d e	75.33	100.00	–	–
Mid Rivers Land LLC	b d e	75.33	100.00	49.31	100.00
Mid Rivers Land LLC II	b d e	75.33	100.00	–	–
Mid Rivers Mall LLC	b d e	75.33	100.00	49.31	100.00
Mid Rivers Office Development I, Inc.	b d e	75.33	100.00	49.31	100.00
Mission Valley Centre LLC	b d e	75.33	100.00	49.31	100.00
Mission Valley Manager LLC	b d e	75.33	100.00	49.31	100.00
Mission Valley Finance Corporation	b d e	75.33	100.00	49.31	100.00
Montgomery Mall Properties, Inc.	b d e	75.33	100.00	49.31	100.00
North County Fair LLC	b d e	–	–	49.31	100.00
Northwest Plaza, Inc.	b d e	75.33	100.00	49.31	100.00
Northwest Plaza LLC	b d e	75.33	100.00	49.31	100.00
Oakridge Mall LLC	b d e	–	–	49.31	100.00
Oakridge Mall, Inc.	b d e	75.33	100.00	49.31	100.00
PB-MW LLC	b d e	75.33	100.00	–	–
Parkway Plaza, Inc.	b d e	75.33	100.00	49.31	100.00
Parkway Plaza LLC	b d e	–	–	49.31	100.00
Plaza Bonita, Inc.	b d e	75.33	100.00	49.31	100.00
Plaza Bonita LLC	b d e	–	–	49.31	100.00
Plaza Camino Real LLC	b d e	75.33	100.00	49.31	100.00
Plaza West Covina, Inc.	b d e	75.33	100.00	49.31	100.00
Plaza West Covina LLC	b d e	–	–	49.31	100.00
Promenade LLC	b d e	–	–	49.31	100.00
Residential Rental and Investments, Inc.	b d e	75.33	100.00	49.31	100.00
Santa Anita Fashion Park LLC	b d e	–	–	49.31	100.00
Sargent Drive Acquisition LLC	b d e	75.33	100.00	–	–
Sargent Drive Holding LLC	b d e	75.33	100.00	–	–
Solano Mall LLC	b d e	–	–	49.31	100.00
South County Center LLC	b d e	75.33	100.00	49.31	100.00
South County Post Office LLC	b d e	75.33	100.00	49.31	100.00
South County Properties, Inc.	b d e	75.33	100.00	49.31	100.00
South Shore Mall LLC	b d e	75.33	100.00	49.31	100.00
South Shore Manager LLC	b d e	75.33	100.00	49.31	100.00
SSM Land LLC	b d e	75.33	100.00	–	–
TP-MW LLC	b d e	75.33	100.00	–	–
Topanga Center, Inc.	b d e	75.33	100.00	49.31	100.00
Topanga Plaza LLC	b d e	–	–	49.31	100.00
Trumbull Mall LLC	b d e	75.33	100.00	49.31	100.00
Trumbull Shopping Centre # 1 LLC	b d e	75.33	100.00	49.31	100.00
Trumbull Shopping Centre # 2 LLC	b d e	75.33	100.00	49.31	100.00
Trumbull Department Stores, Inc.	b d e	75.33	100.00	49.31	100.00
Vancouver Mall LLC	b d e	75.33	100.00	49.31	100.00
WAP HC, Inc.	b d e	75.33	100.00	49.31	100.00
West County Centre LLC	b d e	75.33	100.00	49.31	100.00
West Park Mall, Inc.	b d e	75.33	100.00	49.31	100.00
West Park Mall LLC	b d e	75.33	100.00	49.31	100.00
West Park Shopping Centre, Inc.	b d e	75.33	100.00	49.31	100.00
West Valley LLC	b d e	–	–	49.31	100.00
Westfield Garden State LLC	b d e	75.33	100.00	–	–

NOTE 34 DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURES (cont)

Name of entity	Notes	30 June 2001 Interest Beneficial* %	30 June 2001 Interest Consolidated %	30 June 2000 Interest Beneficial* %	30 June 2000 Interest Consolidated %
Westfield Independence LLC	b d e	75.33	100.00	49.31	100.00
Westfield Management, Inc.	b d e	75.33	100.00	49.31	100.00
Westfield Merchantwired, Inc	b d e	75.33	100.00	–	–
Westfield Mission Valley Corporation	b d e	75.33	100.00	49.31	100.00
Westfield Subsidiary REIT 1, Inc.	b d e	75.33	100.00	49.31	100.00
Westfield Subsidiary REIT 2, Inc.	b d e	75.33	100.00	49.31	100.00
Westfield WTC LLC	b d e	75.33	100.00	–	–
Westfield WTC Holding LLC	b d e	75.33	100.00	–	–
Westland Milford Properties, Inc.	b d e	75.33	100.00	49.31	100.00
Westland Partners, Inc.	b d e	75.33	100.00	49.31	100.00
Westland Properties, Inc.	b d e	75.33	100.00	49.31	100.00
Westland Town Centre LLC	b d e	75.33	100.00	49.31	100.00
Wheaton Plaza No.1 LLC	b d e	75.33	100.00	49.31	100.00
WPI Meriden Square, Inc.	b d e	75.33	100.00	49.31	100.00
Annapolis Mall Limited Partnership	c d e	75.33	100.00	49.31	100.00
The Connecticut Post Limited Partnership	c d e	75.33	100.00	49.31	100.00
EWH Escondido Associates L.P.	c d e	75.33	100.00	49.31	100.00
Fox Hills Mall L.P.	c d e	75.33	100.00	–	–
Horton Plaza L.P.	c d e	75.33	100.00	–	–
Montgomery Mall Limited Partnership	c d e	–	–	49.31	100.00
Montgomery Mall Condominium Limited Partnership	c d e	–	–	49.31	100.00
Meriden Square Partnership	c d e	75.33	100.00	49.31	100.00
North County Fair L.P.	c d e	75.33	100.00	–	–
Oakridge Mall L.P.	c d e	75.33	100.00	–	–
Parkway Plaza L.P.	c d e	75.33	100.00	–	–
PCRGP L.P.	c d e	75.33	100.00	–	–
Plaza Bonita L.P.	c d e	75.33	100.00	–	–
Plaza West Covina L.P.	c d e	75.33	100.00	–	–
Promenade L.P.	c d e	75.33	100.00	–	–
Santa Anita Fashion Park L.P.	c d e	75.33	100.00	–	–
Solano Mall L.P.	c d e	75.33	100.00	–	–
Topanga Plaza L.P.	c d e	75.33	100.00	–	–
WEA Palm Desert L.P.	c d e	75.33	100.00	–	–
WEA Valley Fair L.P.	c d e	75.33	100.00	–	–
Westfield America Investor L.P.	c d e	75.33	100.00	49.31	100.00
Westfield America Limited Partnership	c d e	75.33	100.00	49.31	100.00
Westfield Plaza Bonita MW L.P.	c d e	75.33	100.00	–	–
Westfield Sacramento Acquisition Associates LP	c d e	75.33	100.00	–	–
Westfield Topanga MW L.P.	c d e	75.33	100.00	–	–
West Park Partners L.P.	c d e	75.33	100.00	49.31	100.00
West Valley L.P.	c d e	75.33	100.00	–	–
Westland Shopping Centre L.P.	c d e	75.33	100.00	49.31	100.00
Westland South Shore Mall L.P.	c d e	75.33	100.00	49.31	100.00
Wheaton Plaza Regional Shopping Centre L.L.P.	c d e	75.33	100.00	49.31	100.00
Anita Associates	c d e	67.55	89.68	44.22	89.68
Hahn UPI	c d e	59.78	79.36	39.14	79.36
Independence Mall Associates	c d e	22.22	29.50	41.92	85.00
Mission Valley Partnership	c d e	57.10	75.80	37.38	75.80
Mid Rivers Limited Partnership	c d e	25.11	33.33	16.44	33.33
UPI Associates	c d e	13.14	17.44	8.60	17.44
Vancouver Mall II Limited Partnership	c d e	74.95	99.50	–	–

NOTE 34 DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURES (cont)

Name of entity	Notes	30 June 2001 Interest Beneficial* %	30 June 2001 Interest Consolidated %	30 June 2000 Interest Beneficial* %	30 June 2000 Interest Consolidated %
Westfield Independence Mall Limited Partnership	c d e	45.20	60.00	29.59	60.00
Westfield Independence Mall Limited Partnership No. 2	c d e	9.42	12.50	6.16	12.50
Equity Accounted Joint Venture Entities					
MBM Associates	c d e	0.75	1.00	0.49	1.00
Montgomery Mall LLC	b d e	37.66	50.00	–	–
Montgomery Mall Borrower LLC	b d e	37.66	50.00	49.31	100.00
Montgomery Mall Condo LLC	b d e	37.66	50.00	–	–
Montgomery Mall of Maryland LLC	b d e	37.66	50.00	49.31	100.00
Owensmouth Office Associates LTD	c d e	16.01	21.25	10.48	21.25
Plaza Camino Real	c d e	30.13	40.00	19.73	40.00
University Towne Centre LLC	b d e	37.66	50.00	24.66	50.00
V F Mall LLC	b d e	37.66	50.00	24.66	50.00
Valley Fair UTC LLC	b d e	37.66	50.00	24.66	50.00
Valley Fair UTC LP	c d e	37.66	50.00	–	–
Vancouver Mall	c d e	–	–	24.66	50.00
Westfield Gift Card Management, Inc	b d e	2.24	2.97	–	–
Westfield Paramus1, Inc	b d e	74.58	99.00	–	–
Westfield Paramus Holdings LLC 1	c d e	37.29	49.50	24.66	50.00
Westfield Paramus Holdings LLC 2	c d e	37.66	50.00	24.66	50.00
Westland Garden State Plaza Limited Partnership	c d e	37.66	50.00	24.66	50.00
West Valley Development LLC	b d e	32.01	42.50	20.96	42.50
West Valley Partnership	c d e	32.01	42.50	20.96	42.50

Notes

a Trust.
b Company - incorporated in the United States.
c Partnership - formed in the United States.
d Principal activity - property investment.
e Business entity audited by affiliates of the auditors of the Parent Entity.

* Beneficial interest in underlying controlled and equity accounted entities reflects WAT's ownership interest in WEA excluding certain convertible redeemable preference shares issued by WEA which have been accounted for as borrowings in these financial statements. The prima facie interest of 75.33% (2000 - 49.31%) exclusive of the convertible redeemable preference shares is equivalent to 71.07% (2000 - 49.73%) inclusive of the convertible redeemable preference shares.

NOTE 35 NOTES TO THE STATEMENT OF CASH FLOWS

	US$ Million			A$ Million		
	30 June 2001	**31 Dec 2000**	**30 June 2000**	**30 June 2001**	**31 Dec 2000**	**30 June 2000**
(a) COMPONENTS OF CASH						
Cash #	**64.1**	44.7	46.8	**111.4**	70.6	73.5
Bank Bills Receivable	**28.0**	–	–	**55.3**	–	–
	92.1	44.7	46.8	**166.7**	70.6	73.5

Includes restricted cash representing funds totalling $US15.6 million ($30.8 million) (US$23.3 million ($38.8 million) at 30 June 2000) set aside to pay operating and capital expenditures on properties which are collateral for secured loan facilities and funds to be utilised in the redevelopment of centres.

	US$ Million		A$ Million	
	30 June 2001	30 June 2000	30 June 2001	30 June 2000
NOTE 35 NOTES TO THE STATEMENT OF CASH FLOWS (continued)				
(b) RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO EARNINGS FROM ORDINARY ACTIVITIES AFTER WITHHOLDING TAX BUT BEFORE OUTSIDE EQUITY INTERESTS				
Net cash in/(out) flows from operating activities	**196.1**	184.2	**361.2**	295.6
Currency translation differences	**–**	–	**0.1**	0.1
Bad debt provision	**(0.1)**	(1.4)	**(0.2)**	(2.3)
Interest expense	**(104.3)**	(99.5)	**(199.6)**	(160.5)
United States Withholding Tax expense relating to ordinary activities	**(4.2)**	(2.7)	**(7.0)**	(4.3)
(Decrease)/Increase in other net assets attributable to operating activities	**(2.7)**	0.4	**(6.7)**	0.9
Earnings from Ordinary Activities After Withholding Tax but before Outside Equity Interests	**84.8**	81.0	**147.8**	129.5

(c) NON CASH FINANCING AND INVESTING ACTIVITIES

Sale of Property Investment: proceeds from sale of property investment totalling US$140.5 million ($232.2 million), being a 50% interest in Montgomery Mall, comprise US$62.1 million ($121.5 million) in cash and US$78.4 million ($110.7 million) of borrowings assumed.

	US$ Million			A$ Million		
	30 June 2001	31 Dec 2000	30 June 2000	30 June 2001	31 Dec 2000	30 June 2000
(d) FINANCING FACILITIES						
Committed financing facilities available to the Economic Entity are as follows:						
Total financing facilities #	**2,504.1**	2,612.7	2,331.0	**4,934.4**	4,709.2	3,881.9
Amounts utilised *	**(2,324.3)**	(2,366.6)	(2,200.5)	**(4,580.2)**	(4,265.6)	(3,664.6)
Available financing facilities #	**179.8**	246.1	130.5	**354.2**	443.6	217.3
Cash (refer Note 35(a))	**92.1**	44.7	46.8	**166.7**	70.6	73.5
Total available financing facilities	**271.9**	290.8	177.3	**520.9**	514.2	290.8

Financing facilities comprise:

(a) term loans from banks and financial institutions in respect of specific retail property investments; and

(b) bank facilities for general corporate and property redevelopment purposes.

Available financing facilities comprise term loans for general corporate and property redevelopment purposes (refer details as set out in Note 12) and undrawn bank facilities as set on page 45:

NOTE 35 NOTES TO THE STATEMENT OF CASH FLOWS (continued)

i - a secured revolving credit facility of US$450.0 million ($886.7 million) (US$450.0 million ($811.1 million) secured at 31 December 2000 and US$450.0 million ($749.4 million)), with a consortium of banks. The facility is an interest only floating rate facility maturing in December 2003. At 30 June 2001, amounts available under this facility totalled US$129.0 million ($254.2 million) (31 December 2000 US$217.0 million ($391.1 million) and 30 June 2000 US$100.0 million ($166.5 million)).

ii - an unsecured revolving credit facility of $30.0 million (US$15.2 million) (31 December 2000 $30.0 million (US$16.6 million) and 30 June 2000 $65.0 million and (US$39.0 million)) with a bank. The facility is an interest only floating rate facility maturing in December 2001. At 30 June 2001, amounts available under this facility totalled $30.0 million (US$15.2 million) (31 December 2000 $30.0 million (US$16.6 million) and 30 June 2000 $50.8 million and (US$30.5 million)).

iii - an unsecured revolving credit facility of $70.0 million (US$35.5 million) (31 December 2000 $70.0 million (US$38.8 million) and 30 June 2000 Nil) with a bank. This facility is an amortizing floating rate facility with an ultimate maturity date of 30 June 2003. At 30 June 2001, amounts available under this facility totalled $70.0 million (US$35.5 million) (31 December 2000 $22.5 million (US$12.5 million) and 30 June 2000 Nil).

* Amounts utilised have been translated at exchange rates ruling at balance date and do not include the effects of currency's hedge contracts.

Directors' declaration

WESTFIELD AMERICA TRUST 2001

The Directors of Westfield America Management Limited, the Responsible Entity of Westfield America Trust ("Trust"), declare that:

(a) the Financial Statements for the half year ended 30 June 2001 ("Financial Statements") and notes thereto comply with the accounting standards;

(b) the Financial Statements and notes thereto give a true and fair view of the financial position and performance of the Trust together with all entities it is required by the accounting standards to include in those statements; and

(c) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Made on 28 August 2001 in accordance with a resolution of the Board of Directors.

F P Lowy, AC
Chairman

S P Johns
Group Finance Director

Independent audit report

W E S T F I E L D A M E R I C A T R U S T 2 0 0 1

To the unit holders of Westfield America Trust

Scope

We have audited the financial report of Westfield America Trust for the half-year ended 30 June 2001, being the Statement of Financial Performance, Statement of Distribution, Statement of Financial Position, Statement of Cash Flows, notes to the financial statements and the Directors Declaration. The financial report includes the consolidated financial statements of Westfield America Trust, and the entities it controlled at the end of the half-year or from time to time during the half-year. The responsible entity's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the unit holders of the registered scheme.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standard AASB 1029: Half-Year Accounts and Consolidated Accounts and other mandatory professional reporting requirements and statutory requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the half-year financial report of Westfield America Trust is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2001 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 1029: Half-Year Accounts and Consolidated Accounts and the Corporations Regulations;

(b) other mandatory professional reporting requirements

Ernst & Young

Ernst & Young

B. J. Long

Brian Long
Partner

Sydney
28 August 2001

Westfield Shoppingtown Connecticut Post, Connecticut

Directory

WESTFIELD AMERICA TRUST 2001

Entity

Westfield America Trust
ARSN 092 058 449

Responsible Entity

Westfield America Management Limited
ACN 072 780 619

Registered Office

Level 24, Westfield Towers
100 William Street
Sydney NSW 2011

Telephone: (02) 9358 7000
Facsimile: (02) 9358 7881

Website: www.westfield.com.au

Directors of Westfield America Management Limited

Frank P Lowy, AC *Chairman*

Frederick G Hilmer, AO *Deputy Chairman*

David H Lowy *Deputy Chairman*

Robert A Ferguson

David M Gonski

Stephen P Johns

Peter S Lowy

Steven M Lowy

Dean R Wills, AO

Carla M Zampatti, AM

Compliance Committee

John B Studdy, AM *Chairman*

George T Forster

Stephen P Johns

Secretary

Craig A van der Laan de Vries

Director of Funds Management

Victor P Hoog Antink

Trust Manager

Daniel Rubinstein

Auditors

Ernst & Young
The Ernst & Young Building
Level 16, 321 Kent Street
Sydney NSW 2000

Custodian

Perpetual Nominees Limited
39 Hunter Street
Sydney NSW 2000

Investor Information

For enquiries regarding your investment, ring or write to:

Investor Relations Department
Westfield America Management Limited
Level 24, 100 William Street
Sydney NSW 2011

Telephone: (02) 9358 7459
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Unit Registry

For enquiries related to the Register, ring or write to:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 1115

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Listings

Westfield America Trust – WFA
on *Australian Stock Exchange*

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Westfield